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FINLAND POLITICAL

STALINIST, LIBERAL NEWSPAPERS ON EUROPEAN COUNCIL TIES

Party Paper Decries 'Pull'

Helsinki TIEDONANTAJA in Finnish 29 May 87 p 6

[Commentary by Jaakko Laakso: "Finland Being Pulled Into European Council"]

[Text] The debate on making Finland a member of the European Council has been consciously accelerated from time to time. It was most recently brought up by Counselor of Mining Kari Kairamo, chairman of the Industrial Association and the Foreign Trade League, who unambiguously declared that industry is demanding that Finland become a member of the European Council.

In an obscure manner Kairamo stated that Finland's membership in the European Council would "clear up the image" of Finland, which is described as the only Western European state which is not a member of the European Council.

As an observer Finland has, however, participated ever more tightly in all the activities of the council for a long time already over the years. Israel, San Marino, and Yugoslavia also have a position or status similar to that of Finland's in the council.

The European Council considers the achievement of "European unity" as its goal. There is reason to note that in the European Council's vocabulary, "Europe", "European", and "European unity" only mean Western Europe and not all of Europe. Membership in the council would, of course, consolidate the division of Europe and not pan-European cooperation.

The socialist countries are not at all acceptable as members of the European Council since they are not "parliamentary democracies". Turkey, which is led by generals, is, on the contrary, acceptable to the group.

Cold War Tool

No one disputes the fact that in connection with its formation in 1949 and for a long time afterward the European Council was part of the Western Cold War's ideology and political machinery, which was used against Europe's socialist countries and sometimes even against Europe's neutral countries also. Now it is said that the role of the European Council is, however, completely different.

For example, Editor Filip Hamro-Drotz comes to the conclusion in FORUM that in point of fact there are no longer any obstacles to Finland's membership in referring to development in the European Council. Max Jakobson, former managing director of the Council of Commerce and Industry, characterizes Finland's status outside of the council only as an "historical vestige, which distorts our image in the world".

Assistant State Secretary Klaus Tornudd, however, only recently was compelled to point out that not all the decisions made by the council are in line with Finland's foreign policy, but are even in conflict with it.

Under the pretext of defending human rights, among other things, the European Council has even made decisions by which it has, in fact, interfered in the internal affairs of the socialist countries. The council's parliament, which has 170 MP's in ratio to the population of the member countries, has in this respect played an exceptionally flagrant role in some questions.

The fact that defectors from socialist countries, who make certain that criticism of their former fatherland is seen and heard as a part of the criticism of socialism, lends its own added color to the activities of the parliament.

When the President Changed

The attempt to change Finland's position with respect to the European Council was put into motion immediately after the 1982 presidential elections. President Mauno Koivisto appointed the then chairman Par Stenback of the Swedish People's Party as the new foreign minister, who initiated the preparatory work.

An attempt was made to accelerate the change of Finland's status in the Parliamentary Foreign Affairs Committee, in which Foreign Minister Stenback presented a clear report on the issue. The proposal received support particularly from the SDP and Center Party members of the committee, who considered closer cooperation in some form with the European Council to be necessary. Membership was not excluded.

Communist Ensio Laine and the Conservative Party's Ilkka Kanerva, who is now a secretarial minister in the Holkeri government, adopted a more critical attitude toward a change of status.

When the proposal promoted by Stenback did not receive "sufficient unanimity" in support for it, the whole project was put on ice for the time being. Later the foreign minister himself gave an interview to KAUPPALEHTI, in which it was stated that a change of status could arouse speculations and it was given to understand that the plan would be abandoned.

Even after this, cooperation with the European Council has become closer in various forms, and in practice Finland is included in nearly all the transactions of the European Council even though it is not a member.

It has been confirmed in the foreign policy leadership that a change of status is not timely. At the same time, pressure directed at the foreign policy leadership in this matter seems to have increased drastically.

Test the Ice with a Stick

The change of government is most likely the main reason why Finland's membership in the European Council has become timely once again. Actions for supporting Western integration were immediately demanded of the new government. And in the final count membership will also become a consideration. There is a desire to accelerate Finland's integration into the West by means of membership.

Things have now been put into motion with earnest and the objective seems to be that Finland would become a member of the European Council by May 1989 at the latest, when the council will celebrate its 40th anniversary.

It is known that in addition to domestic quarters, certain foreign quarters, even whole countries, which would willingly see Finland as a member of the European Council, are also promoting this matter. For example, Denmark seems to be very interested in Finland's membership.

The supporters of membership say that they can also influence the decisions of the European Council by means of Finland's membership. Negative decisions cannot be changed from the outside. The most important argument for membership being presented is, however, the fact that in this way we could positively affect Finland's image, "which is so decisively important to us". What is meant by this remains to be clarified.

Many people are not aware of the fact that the European Council is also by its nature in a sense supranational. Not only can it, but it also makes decisions by a vote. The decisions are considered to be binding on all member states at least morally.

Conservative Party Demands Explanation

The Conservative Party paper NYKYPAIVA argues that the debate on the European Council has reached such a phase that "the real benefits and disadvantages of our country being a member of the European Council should be carefully clarified". According to the newspaper, at the same time, there will also be a clarification of "those possible benefits and disadvantages which are the consequence of Finland continuing to remain outside of the European Council".

NYKYPAIVA considers it evident that Finland "will not at any time participate in the European Council's political integration of our part of the world and actions aimed at it". What the phrase means in its vagueness remains unclear.

The impression, however, is that the clarification demanded by the Conservative Party's paper is already in the works in the Foreign Ministry.

Country's Main Paper Comments

Helsinki HELSINGIN SANOMAT in Finnish 16 Jun 87 p 2

[Editorial: "Finland in European Council']

[Text] Finland's possible membership in the European Council is the eternal question of our foreign policy that has been debated for years. The foreign policy leadership and the government have out of preference been silent on this matter, but, when necessary, they have reiterated a negative stand on membership. Nevertheless, the debate has not abated, but has, on the contrary, grown stronger. This is an indication of the fact that official arguments do not correspond with current policy.

Chairman Kari Kairamo of the Industrial Association has most recently recommended membership in the European Council with the argument that it would clarify Finland's image abroad. Remaining as the only parliamentary democratic European country outside of the organization brings embarrassing attention to us and creates incorrect impressions. The fact that we are in many ways included in the daily work of the organization does not help the matter.

The new government's Conservative Foreign Trade Minister Pertti Salolainen has thrown cold water on Kairamo and all those who have seen signs that our country's official position is ripe for the idea of membership. According to Salolainen, "the government does not consider that anything which would justify a reassessment of our attitude toward the European Council has happened."

Salolainen's statement can hardly be put down to individual thinking even though this has already been done. Unfortunately, the statement seems to reflect the unchanging position of the new government and of the president in the final count. What miracle must actually occur somewhere else so that a change of Finland's position could become timely?

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CSO: 3617/111

PAPERS VIEW AALTO SUCCESSION PROPOSAL, KIVISTO CANDIDACY

Helsinki HELSINGIN SANOMAT in Finnish 19 May 87 p 7

[Editorial roundup]

[Text] Arvo Aalto Should Step Aside

First-year member of parliament, Esko Seppanen of the SKDL, writes in the independent ILTA-SANOMAT that Communist Party chairman Arvo Aalto should now step aside "while it could still happen with an air of respect and dignity."

Seppanen recommends that Aalto be replaced by Timo Laaksonen, Ulla-Leena Alppi, Arvo Kemppainen or "some other person."

According to Seppanen, the problems of the SKDL arise from its only appealing to established supporters. "The party represents the interests of its core members but in this age of perestroika that is not enough. There is a need for broad-based support."

To effect a cure, Seppanen prescribes a retraction of Brezhnevite policies of reactivism and a washing of the SKDL image. "It is the image that has been tarnished, not the ideals."

As a Candidate Kivisto Will Only Be a Stand-In for Koivisto

SAVON SANOMAT, a Center Party newspaper, criticizes Kalevi Kivisto's role as a presidential candidate of the SKDL since "voters know that eventually the SKDL will switch its votes for Koivisto anyway."

According to the paper Kivisto is merely a stand-in for the incumbent president and the main objective of his candidacy is to assure that "the SKDL will get a decent amount of votes in the election so as to give a new lift to the support of the SKDL."

The paper does, however, agree that Kivisto is the right choice to broaden the SKDL's support base. "He is recognized in artistic and scientific circles and his many activities have proven his capacity for cooperation."

"Among many left-lenaing persons and trade-unionists the coalition of the Conservative and Social Democratic parties has caused a lot of disaffection. These are the discontented ones that the SKDL is trying to woo with Kivisto."

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SKDL REASSESSES DIRECTION FOLLOWING ELECTION DISAPPOINTMENT

Helsinki KANSAN UUTISET in Finnish 19 May 87 p 7

[Text] The parliament was realigned by the outcome of the elections and the old Left was the loser. The defeat of the Left was less a product of the Right's strength than of the Left's own weakness. The Left has been unable to meet the challenges of modern society in a way that is consistent with its fundamental principles.

"The new political climate is a challenge for the People's Democratic Party. The SKDL now has to reassess earlier partnerships and study the possibility of forming a somewhat loose united front. 'The Time Has Come To Form a New Left,'" is proposed by the SKDL federal council in its public statement.

"This has always been and still is a party that advocates economic and social equality and justice. This is a party that advocates the manifold extension of control by the people. Our political goal is to attain a level of enlightenment and culture that is absolutely essential to our national identity.

"We must take an increasing responsibility for the future of Left-wing policies. We must increasingly emphasize the reforming of our own activity and thought. In addition to the people's objectives, which are the very reason for the existence of the working people's party, the tasks of the people's democrats must include a concentration on new, universal challenges. These culminate in increasing freedom and a sense of universal responsibility for mankind; a responsibility in the face of the critical problems shared by mankind."

The people's democratic party is now following a policy of opposition based upon the objectives represented by the SKDL and objectives that are inferred from these. We will not alter our ideology or our vision as part of manipulations to gain power. Politically we are firmly rooted in our ideological foundations.

The SKDL continues to strive toward the goals it has publicly stated. The following are considered important: diminishing unemployment, establishment of a minimal living standard, elimination of the housing shortage, lowering of taxes for small and medium incomes, the actual improvement of a sound

natural environment, and a more active role for Finland in promoting international detente, disarmament and, now, especially the establishment of a nuclear-free zone in the Nordic countries.

These are the objectives that will determine the content of our opposition policy. We are prepared even to cooperate with the government if they show a desire to arrive at solutions based on the promises of the governing parties and our objectives both. But we will use all available means to resist all proposals and policies that do not show a sensitivity to equality, justice and the demands of an enlightened society.

In addition to national issues, the SKDL policy will assume a responsibility for a search for solutions to all mankind's big problems: threat of war, hunger and destruction of the environment. We are prepared to work together with all parties, citizen's organizations, groups and individuals who are concerned about a humane fatherland and the future of mankind.

One continuing goal of the SKDL is to achieve cooperation of all left-wing parties. The Social Democratic Party had two alternatives: a government coalition with the Conservatives or partnership with the SKDL in opposition. It chose the former course. The SKDL will be exactly as critical about the actions of the Social democratic Party as its politics deserve.

In parliament the SKDL will probably ally itself with the Democratic Alternative and the Greens.

The SKDL is also ready to form a partnership with the Center Party in, for example, the establishment of a minimum living standard, on which issue the Center Party has expressed a viewpoint similar to the SKDL's.

Any parliamentary cooperation should be supplemented especially with activities on the ordinary citizen's level.

Work in parliament is now not the most important way to getting the SKDL moving. Our work should reach the people in all segments of society. Let us begin anew with new ideas and new work methods.

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CSO: 3617/104

SKDL'S ALENIUS REJECTS OFFERS OF SDP COOPERATION

Helsinki HELSINGIN SANOMAT in Finnish 24 May 87 p A 10

[Text] Esa Alenius, chairman of the SKDL socialists, disputes the occasionally heard statement that the SKDL is not needed. As he opened the third party congress of the SKDL socialists at the Sirola College in Turenki Saturday, Alenius emphasized that the socialists want to strengthen their central organization and to make it increasingly multifaceted.

"Although the SKDL at present is in serious financial difficulties and even though many in the Communist party point to cumbersome organizational duplication, the SKDL does, nevertheless, represent values and possibilities that the left-wing would lack without it," said Alenius.

By concentrating their energies upon improving the groundwork of SKDL activity, his socialists, according to Alenius, will be replying to the invitation from some social democrats to noncommunists in the SKDL to transfer to the "bosom of the father party, the Social Democratic Party." He also stressed that the growth of the left-wing does not require necessarily the gathering of all forces into one enormous party. The very existence of several parties may well be a blessing for the left-wing.

Bank director Alenius recalled that, in bygone years, one point of criticism directed at the SKDL had been that members had dared to express negative opinions on some aspects in the USSR, which have turned out to be the very things now being strongly criticized in the USSR itself.

The party congress of the SKDL socialists will last 2 days. One of the items to be discussed is the so-called Red-Green platform which would promote a socialist society in a world that is sensitive to environmental values. Sunday will be the day for personnel selection.

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BRIEFS

NEW NAME FOR STALINISTS--The Stalinists have been given a new nickname. At the central committee meeting of the majority faction of the Finnish Communist Party SKDL chief secretary Reijo Kakela (communist) christened the Stalinists "the central committee of the brainless members of the Finnish Communist Party." The Stalinist faction likes to refer to itself as the "central committee of the Finnish Communist Party organization." [Text] [Helsinki HELSINGIN SANOMAT in Finnish 2 Jun 87 p 9] 13002/13046

NEW ACRONYMS FOR COMMUNISTS--The news organ of the Stalinists, Tiedonantaja, has adopted the use of a new acronym to parallel the old SKP(y). The Arvo Aalto-led faction of the Finnish Communist Party is now called the SKP(rp). SKP(y) is the Stalinists' own "central committee of Finnish Communist Party organizations." The letter y signifies that the Stalinists seek reunification and that they are the only true party even though the registered party (rp) is controlled by the Aalto faction. Until now the Stalinists had referred to the Aalto faction as the "central committee of the Finnish Communist Party rump." [Text] [Helsinki HELSINGIN SANOMAT in Finnish 29 May 87 p 11] 13002/13046

SINISALO GETS GORBACHEV AWARD--Stalinist leader Taisto Sinisalo has Soviet Communist Party chief Mikhail Gorbachev as his role model. Today Sinisalo will give the central committee political report to party members a la Gorbachev in 1986 at the USSR's Communist Party convention. This is a deviation of the practices of his predecessors. SKP majority leader Aalto will give his supporters the traditional activity report. Jouko Kajanoja was predecessor of both. [Text] [Helsinki HELSINGING SANOMAT in Finnish 5 Jun 87 p 10] 13002/13046

CSO: 3617/104

ND'S ECONOMIC PROGRAM SEEN LITTLE DIFFERENT FROM PASOK'S

Athens I AVGI in Greek 17 Jun 87 p 5

[Text] The new ND economic program, which was made public yesterday by Kostas Mitsotakis, shows a certain distance from the extreme version of the 1985 new liberalism and a move closer to the policy already adopted by the PASOK government.

ND's goal for wider privatization is one essential difference from the declarations of the government's familiar policies. But on this subject, ND's program contains some uncertain points and contridictions. The text appears to be closer to the 1981 policies of the Rallis government, especially in the first pages where it presents general principles, while it reduces the role of the state even more in the specific chapters.

The ND program is very close to the government's policy when it comes to the liberalization of prices and the banking system. In other areas, such as the tax system, the labor market, investment incentives, support for exports, etc., ND's positions come close to the direction followed by the government.

ND is trving to emphasize its differentiation from the government by underlining a drastic reduction of state consumer expenditures. However, leaving out any quantitiative references to specific items, the program leaves open two interpretations: Either the reductions will range close to levels applied by the present government (with additional savings from privatization and virtual elimination of public investments) or plans are being contemplated such as the firing of employees--not mentioned in the program, which only speaks of a reduction in hiring (one new employee for every two retirees).

Obviously aware of the limited differences in their proposed policies and the policy followed by the present government, the authors of the ND program emphatically present the ideology of free economy, and contrast it to the ideology PASOK advocated during the previous 4-year period. In addition, they present their party as a guarantee for the stable implementation of this policy, and they criticize the unpredictability, confusion, and uncertainty prevailing in PASOK.

In more detail the "basic principles" of the program emphasize that: "The New Democracy Party believes that only free choice in the marketplace, in the labor market, in business and professional activity assures personal and social freedom of the consumer, farmer, businessman, and the self-employed. It bases its development efforts on the productive initiative of the private sector."

The role of the state is defined in the following specific activities: "The exclusive supply of services in the area of defense, public order, administration and justice. The assurance of healthy competition and equal opportunities for all Greeks. The sanctioning of social justice by playing the state's redistributive role. The balancing of social and economic differences. Securing the necessary infrastructure for the country's social and economic development. Offering services of public utilities (such as transportation, communications and energy), either exclusively by the state or in combination with private entities controlled by the state.

"Securing to all citizens, regardless of their income, high-quality social services (in education, health, welfare and social security), without ruling out parallel or additional services being offered by the private sector.

"The continuing and constructive dialogue with the professional, trade unionist and cultural organizations to take advantage of every proposal which can improve the functioning and efficiency of the system."

The program stresses the value of competition as opposed to leveling of quality and rewarding of laziness and irresponsibility. It also stresses the superiority of private initiative as "a means of development and progress." The state does not antagonize private initiative, but complements it, e.g., with investments "where private initiative cannot express interest because of the capital required or because of high risk" (a word-for-word description of the present government).

To bring the economy out of the present crisis, ND proposes a policy which has two facets:

--Stabilization with a reduction in inflation to the average EEC levels through a cutback in the "gigantic public sector and its deficits," "measures for a rise in competitiveness," and "liberation of the competitive forces of the market."

--Increasing production with a national mobilization and introduction of modern technology.

In the chapter "Privatization", the following measures are included:

--Immediate elimination of the public sector enterprises and agencies which interfere with the private sector (such as PROMET, ITCO, EMPO, KFE, the Greek Drug Industry, KTE, etc.).

--Ailing enterprises which are under the control of the Enterprise Rehabilitation Organization [OAE] "will be transferred to the private sector or they will be dissolved under the procedure of ND 3562/56."

--Industrial enterprises in the public sector which are not under OAE and do not constitute national monopolies will be transferred to the private sector or will be sold for cash.

--Excluded are the national monopolies "such as the Public Power Corporation, and the Greek Telecommunications Organization" whose certain activities "will be conducted under competitive conditions." Their direct supervision by ministers and the guaranteeing of their loans by the state will be abolished.

--The minister of finance will cease to represent foundations and insurance agencies at the banks, and to control them through control of the majority of their shares. The boards of directors will be elected freely by the stockholders.

With regard to the labor market, ND proposes:

--Changing legislation on group dismissals, limiting the role of the state, with the exception of a transitional period of newly hired employees to make their hiring easier.

--Increasing unemployment benefits to three-quarters of the minimum wage with appropriate escalation, and for a period of up to 12 months. Also, half subsidy to unemployed who seek work for the first time.

--Free collective bargaining and collective agreements at the national, branch and enterprise level.

--Discretionary arbitration, while retaining the obligatory arbitration for a transitional period.

--Financial independence of trade unions with an end to state subsidies.

--Tying compensation to productivity and distribution of profits.

--Ratification of the international labor treaty No. 135 and establishment of councils of representatives in the enterprises.

--Liberation of the work schedule and part time, while simultaneously settling the question of insurance.

On the question of tax legislation, ND proposes the following:

--Tax-free income up to 1,200,000 drachmas per year for a taxpayer with a wife and two children and reduction of tax brackets from 19 to 5.

--Reduction of tax on profits by 30-35 percent.

--Extending the Value Added Tax [FPA].

--Abolition of FPA at the state level and transfer of the authority to impose the tax to the local self govrnments.

--Reduction of the inheritance tax.

On the question of public investments, ND implies abolition of the program, proposing to have all major public projects decided by the government and then assigned to private construction enterprises which will have the task of finding the resources and financing and then having the right to operate them for profit until paid out.

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RECENT KKE CONGRESS RESULTS SEEN STERILE

Athens ELEVTHEROTYPIA in Greek 11 Jun 87 p 9

[Article by Nikos Kiaos: "The 'Vacuum' That Was Never Filled..."]

[Text] Almost a month has passed since the 12th Congress of the Communist Party took place. The Congress had been heralded in advance as "historic", in the way speeches and interviews of politicians are described as "momentous" before they are given by political leaders. This is a sign of the times, a way to favorably impress public opinion.

But following the 12th Congress, the term "historic" is not justified. This may be due to the natural fatigue of the party cadres from the effort of finishing the Congress. More likely, however, it may be due to the Congress' inability to provide simple, specific answers to the perennial problems relating to the current identity and role of the party.

The "new" element that was expected never came out of the Congress. It is still missing from the daily policy and practice, although many opportunities were available.

This new element concerns the identity of the party, its Political Bureau. It is related to the seven-member Secretariat of the Central Committee (two organs which did not show in their composition the famous and duly advertised "qualitative shift.") It is, on the contrary, related to the continuing "underground practice" when they continue to keep secret the names of the Central Committee members, and when in the year 1987, the historic Congress reaffirms the reference (and attachment) to the party's condition of...illegal existence(!).

The new element, which never appeared, is also related to the failure of the party to present a specific political proposal. Leverage for "the change toward socialism," which is the "coalition of the Left," remains inactive, since it finds no response.

The "political proposal" is going around two favored elements: the simple proportional [electoral system], and the foreign bases. On the latter, the motive in bringing it back to public view came, following the Congress, from the premier's announcement to hold a plebiscite.

In the maze of verbiage seeking to revitalize the mass movement, we read the following in a recent communication of the largest organization--the Athens party organization:

"The struggles for the problems of education, environment, protection of the standard of living and social conquests of the working people should be combined with the struggle for the simple proportional, for peace, and for removal of the bases."

The Athens party organization reveals all these with a sense of extreme urgency, but who will explain why, from the forces of the wider Left, only 3,000 people came out to demonstrate for the simple proportional? This happens at the very moment the simple proportional is KKE's only specific political proposal because it finds approval in other areas of the Left.

And since the simple proportional "does not go far," how could the slogan, "the bases must go" succeed when it is combind with "austerity"? (The Athens Communist Organization says "retention of the bases means greater austerity.")

Something does not work well at the KKE headquarters following the Congress. It's not that the Congress is already forgotten by the people; it's not even that the impressions created by the 5-day Congress have been forgotten. It's that certain cadres "disappeared". It is also that the KKE communists, usually frugal in their talk, do not hesitate to express regrets and unhappy thoughts about the future, as they think of what happened up to today:

Kh. Florakis' statement, the new Politbureau, the new Secretariat of the Central Committee, Papandreou's attack--in the Chamber of Deputies--which Florakis did not answer, the formal denunciation of the K. Kappos "reply", the "timid" response of the Politbureau to Papandreou on the question of immunity, etc.

These are also the voices of distress, "no postponement" of the rehabilitated Than. Karterov by RIZOSPASTIS, which urges the party to turn into action "the many good words of the Congress" because "there is not much time."

There is also K. Moskof's agony for the same action, who speaks more boldly through the newspaper PROTI about "the fight against inertia," the convenience of the soul, the hidden or open conservatism of our daily lives, who repeats with no hesitation the words of Mikhail Gorbachev, "we need democracy like we need air," and who presents a series of "must be dones."

Can it be that the party is not to blame for all this, but that the culprit is the art of disinformation which RIZOSPASTIS (again) discovers in MONDE DIPLOMATIQUE and, though this French newspaper, also discovers that the CIA and other secret services are behind the attack against KKE? This may be a "solution" for KKE's problem. It is simply a repeat of the familiar "act"

from the past when the "class enemy" was to blame for everything. This is another sign of the "new" spirit!

It is possible that those in the Communist Party are trying to find who is to blame and for this reason they do not reveal decisions to the people of the historic Congress. It may be they believe the opportunity was given with the premier's attack on the "removal of immunity," for certain models from the past to reappear, models relating to "closed circuits" and to "sectarian politics."

Party leaders, speaking on the question of immunity, indicated that they expected something more to follow. "We will see what happens from now on," they said.

With regard to the premier's previous attack in the Chamer of Deputies (dependence on Moscow, etc.) the same individuals attributed to Papandreou the intention to show KKE as being unrealiable. They observed that it is unreasonable to tell the party to follow Gorbachev's example when for a lifetime they accused KKE of being subservient to the CPSU.

A colleague politically associated with the Right noted that the presence of Solomentsev at the AEK Sports Stadium--separate from all other foreign visitors--with Kh. Florakis passed unnoticed by the newspapers. But what would have happened if in a similar situation Mitsotakis appeared with an American Solomentsev?

One might say that the followers of the Right have no idea about international solidarity and international duty, just as they have no idea about the world experience of revolution, which is transferred creatively and not mechanistically. This is an answer, of course, which a party member would have given even 60 years ago. The same answer appears to still be in effect.

At last summer is here. Vacations--the seashore in view. Bases, plebiscites, simple proportional--all can wait until the fall, just as decisions of the historic Congress can. The dissatisfied, the cadres, members, followers and voters will not spoil their summer because of what is wrong with the party headquarters. They believe and enjoy themselves just like followers of other parties. A healthy sign. They, too, like the rest, shout in the sports arena, "hurrah for the National [basketball] Team of Greece."

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WERNER DELIVERS DECISIVE BLOW TO OPPONENTS IN VPK

Party Paper on Congress

Stockholm NY DAG in Swedish 1 Jun 87 p 3

[Editorial: "Perhaps It Is Not About Individuals"]

[Text] Considering the attention paid to the 28th VPK [Left Party-Communists] Congress in the mass media, it is not inappropriate, in assessing that congress, to emphasize that it managed to produce a solid piece of workmanship and not simply to discuss individuals.

What we are referring to chiefly is the adoption of a new program of principles. It is not given to every party congress to deal with such a task. This congress did its job well. The VPK now has an up-to-date and future-oriented program of principles. The program does not provide a simplified analysis of society; on the contrary, it presents such a complex of problems that it can act as a stimulus for the continuing ideological debate which so many people wanted.

As a result of the new program, as a result of the great unity demonstrated on important political issues, and as a result of the support for the party's open and undogmatic character as expressed in the unanimous reelection of the party chairman, the VPK is well armed.

Nonetheless, the sharp debates over individuals leave a bitter aftertaste. How could that be? Can it be that behind those debates, there lies concealed a structural leadership problem which the party has lived with for just over 15 years without being sufficiently attentive to that fact?

The idea is worth thinking about, in any case.

Technically speaking, the party board is in a very strong position. But in reality, its position has been undermined, and that will have its consequences.

Where is the party's practical policy worked out? It is worked out partly by elected representatives in parliamentary meetings--chiefly the parliamentary

group--and partly by specially appointed task forces or committees whose job is to produce materials and proposals on specific issues.

In the former case, time constraints most often leave the party board bringing up the rear. In the latter case, it is extremely dependent on the proper preparation of data concerning the issues. This means that the party board's role is reduced to that of examining, reviewing, and approving or not approving. But not that of leading.

At least that is the case, and far too much so, if one looks at the party board's formal duties and powers.

This situation developed after the introduction of the one-chamber Parliament in 1970 gave the VPK a much larger parliamentary group than it had had before and one with the estimable ambition to embrace all political areas. The party also expanded its activity in general to include new sectors, and that explains the multiplicity of committees of various kinds.

In other words, party boards had a much tighter grip on the party's activity and leadership before 1970 than they do today. Today's party boards have developed in the direction of representative bodies.

This creates tensions and antagonisms. It always makes unclear [copy missing] representative bodies.

It was certainly no coincidence that ideas about the suitability of reducing the size of the party board were brought up during the congress, the purpose being simply to make it more operational by enabling it to meet more often and exercise more vigorous leadership. That is one way to go about it. Perhaps there are others as well.

But for the time being, the situation is such that very heavy responsibility is going to rest on the executive committee that will soon take office. It will have to represent the entire party and the policy of the entire party and see to it that the rich store of know-how and commitment which the congress proved that the party possesses is used in its entirety in a productive and successful manner.

Friendly Deputy Chairmen Win

Stockholm DAGENS NYHETER in Swedish 14 Jun 87 p 2

[Article by Kaa Eneberg]

[Text] "We have elected an executive committee which, in my opinion, well reflects the mood in the party. We have shown that we can conduct an open debate and dare to make changes."

So said VPK leader Lars Werner, who on Saturday afternoon was contentedly able to hold a press conference in what was almost splendid isolation after the newly elected party board had thoroughly rebuked the anti-Werner wing headed

by Jorn Svensson. The election committee also got a slap for its proposal to provide Werner with more deputy chairmen to act as "monitors." It was decided instead, after several twists and turns, to reelect Viola Claesson and Bertil Mabrink as deputy chairmen.

The chairman of the election committee, Lennart Beijer of Hultsfred, found himself removed from the executive committee.

Jorn Svensson, who had been considered as a new deputy chairman, was consoled instead with reelection to the executive committee, thus continuing in the position he had held during the period since the previous congress.

Svensson, who had challenged Lars Werner for the post of party leader, had a dogged look and refused to make any specific comment on the outcome, saying only that the election results were "more or less in line with the election committee's recommendations."

Also removed from the executive committee was Stockholm politician Brit Rundberg, an outspoken critic of Werner's rule, as was Member of Parliament Lars-Ove Hagberg from Bergslagen, who had openly campaigned against Werner at two congresses.

Loyal

Elected to the nine-member executive committee was Gudrun Schyman of Varmdo, who is considered loyal to Werner. At one time she was described as a critic, but that was not her fault, says the party leadership. Brit Rundberg was replaced by Bitte Engzell of Stockholm. Also newly elected were Birgit Hansson, a psychologist from Ostergotland, and Bo Leinerdahl of Umea. Both are regarded as being loyal to Werner.

The only other member present at the press conference in the Parliament Building was supporter Kennet Kvist, who had been unanimously reelected party secretary.

"We now have an executive committee that will work for the party leader," he said somewhat tersely, but he quickly added: "And for others, of course."

After the 2-day meeting in the Parliament Building, Jorn Svensson and the two reelected deputy chairmen, Viola Claesson and Bertil Mabrink, hurried out to take care of other duties instead of remaining to meet the press. Viola Claesson had unexpectedly declined reelection as deputy chairwoman before the congress, but she was persuaded to change her mind. After some hesitation, Bertil Mabrink also agreed to be reelected. He had previously expressed the desire to concentrate on work in Parliament.

Viola Claesson was later subjected to a great deal of internal criticism for campaigning against Werner. But following the internal debate, Lars Werner had nothing more to say about the matter at the press conference. He said only that they would now continue to work hard together.

Kennet Kvist pointed out, however, that Claesson's criticism had been based to a large extent on the fact that women were poorly represented. But that situation was now corrected, since half of the positions on the executive committee had been filled with women, and women had also been given [copy missing] representation on the party board, which has 35 members and 15 alternates.

Former VPK leader C.H. Hermansson, who was reelected to the party board with 100-percent support from the congress, was pleased following the meeting, saying that the result had been a compromise providing the party with leadership capable of work. Against a backdrop of posters reading "Hurry it up now," Lars Werner said that another meeting would be held in September to decide in more detail how to conduct the election campaign. He admitted that the Environment Party was a headache for the party.

"I don't feel that we should use 'steamroller tactics' against the Environment Party, but we should talk to them, since they do have a genuine commitment to the environment. But I view them as being definitely a nonsocialist party," he said.

Paper on Werner Leadership

Stockholm DAGENS NYHETER in Swedish 14 Jun 87 p 2

[Editorial: "Monitors"]

[Text] VPK leader Lars Werner does not want "monitors" [literally: "overcoats"] even though this spring has been an especially frosty one for him. On Saturday, in fact, he managed to pack away the extra "overcoats" that critics within the VPK were trying to provide him with.

The new party board selected the usual kind of presidium--not the strange new creation recommended by the election committee before the congress. Moreover, Lennart Beijer, chairman of the election committee, was kicked off the executive committee, as were Werner's tough adversaries Brit Rundberg and Lars-Ove Hagberg. Staying on as party secretary is Werner's close associate Kennet Kvist, who said afterwards: "We now have an executive committee that will work for the party leader."

Considering that Werner's critics dominate the party board, the election results may seem surprising. They may indicate that despite everything, the party chairman is being given another chance. But staying on as deputy chairmen are Bertil Mabrink and Viola Claesson, while Jorn Svensson remains a member of the executive committee. They have many kinsmen on the party board. It will be surprising if they do not whet sharper instruments than an extra "overcoat" for future use.

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CSO: 3650/168

SDPP PROVINCIAL CHAIRMEN, OFFICERS LISTED

Istanbul MILLIYET in Turkish 7 Nov 86 p 8

[Names, provinces of SDPP officers excerpted from report on results of survey on internal party questionnaire]

[Excerpts] Timucin Savas (Adana)

Selcuk Gedikli (Sakarya)

Haluk Unlutepe (Afyon)

Ahmet Aydin (Agri)

Gunhan Basok (Amasya)

Arif Agaoglu (Artvin)

Ertugrul Gunay (Ankara)

Cevdet Kose (chairman, Central District, Antakya)

Yusuf Oztop (Antalya)

Samim Balci (vice chairman, Aydin)

Onder Kirli (Balikesir)

Yusuf Oruc (secretary, Bilecik Province)

Hasan Bazencir (Bingol)

Kenan Haspolat (chairman, Central District, Bitlis)

Ibrahim Sahin (Burdur)

Yuksel Ozer (Bursa)

Ismail Ozay (Canakkale)

Cemal Sahin (Corum)

Adnan Keskin (Denizli)

Talat Inanc (Diyarkabir)

Fuat Ercetin (Edirne)

Hasan Fehmi Kara (Elazig)

Huseyin Taskin (chairman, Central District, Erzincan)

Kenan Gurel (Erzurum)

Abdulkadir Adar (Eskisehir)

Ahmet Ekici (Gaziantep)

Kutay Larcin (Giresun)

Mustafa Demirci (Gumushane)

M. Sait Cetin (Hakkari)

Seref Baksik (Izmir)

Fahrettin Daghan (member, Steering Committee, Kars)

Atif Ugurlu (provincial secretary, Kastamonu)

Zeki Orhan (Kayseri)

Irfan Gurpinar (Kirklareli)

Sabri Yavuz (Kirsehir)

Recai Ersoy (Konya)

Ahmet Guneri (chairman, Central District, Kutahya)

Zeki Turhan (vice chairman, Malatya)

Dogan Aras (Kahramanmaras)

Ahmet Sevki Goklevent (Icel)

Tufan Dogu (Mugla)

Dilaver Ozay (Nevsehir)

Ismail Guven (Nigde)

Ozen Gormus (provincial secretary, Ordu)

Hasan Tuncer Kirut (Rize)

Cemal Altay (Samsun)

Erdal Koyuncu (Siirt)

Ahmet Ayhan (Sinop)

Yunus Yildirim (Sivas)

Gunes Gurseler (Tekirdag)

Kenan Suzer (Tokat)

Samet Atabay (Sanliurfa)

Niyazi Yilancioglu (chairman, Central District, Usak)

Suleyman Sabri Polat (Van)

Ayhan Koyluoglu (vice chairman, Yozgat)

Mahzar Aydin (Zonguldak)

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CSO: 3554/185

FRANCO-GERMAN PERSONNEL EXCHANGES, UNIT CONTACTS SURVEYED

Bonn INFORMATION FUER DIE TRUPPE in German, No 6 1987 pp 42-50

[Article by Rolf Maginot and Ralf Cugaly: "Contacts Across the Border: The Personnel Exchange Between the German and French Armed Forces"; first paragraph is INFORMATION FUER DIE TRUPPE introduction]

[Text] The personnel exchange between the French Armed Forces and the Bundeswehr now has a 30-year tradition. German officers took part in the French general staff training as early as 1956, that is, shortly after the establishment of the Bundeswehr and long before the German-French friendship treaty from 22 January 1963 (Elysee Treaty), which, among other things, put the military cooperation on a contractual basis. In the following article, General Staff Lt Col Rolf Maginot, until recently deputy army attache at the FRG Embassy in Paris, and staff noncommissioned officer Ralf Cugaly, "army assistant" in the same military attache staff, give a brief overview of the German-French personnel exchange. In addition to the information on the different forms of this exchange, the authors would like to promote the intensive utilization of the opportunities presented.

As important as the operational teamwork and the arms cooperation may be, it is nevertheless true for German-French cooperation that the "focus is on the individual" here as well: close cooperation is not possible without knowledge and understanding of one another.

Exchange of Trainees

The attending of training courses presents very good opportunities for getting to know a foreign army, its training methods, and especially the people of the host country.

The army and navy have been sending representatives to the general staff training courses of the French Army (Ecole Superieure de Guerre) and the French Navy (Ecole Superieure de Guerre Navale) in Paris since 1962. The training lasts 24 and 18 months, respectively. Since 1968, an air force officer has also been participating in the general staff training of the French Air Forces (Ecole Superieure de Guerre Aerienne); just as in the case

of the navy, the training lasts 18 months. The French Armed Forces send people to the corresponding training courses at the Bundeswehr Command Academy in Hamburg.

Since 1981, German Army officers have been attending the 5-month staff officer courses of the staff officer school of the French Army (Ecole d'Etat-Major) in Compiegne. The school is basically open to captains of all service branches; the course represents a good preparation for a possible later utilization as an army liaison officer in France.

The following courses have been attended for several years:

--logistics course of the French Army (Cours Superieur de Formation Logistique) in Paris for four colonels or lieutenant colonels employed in the principal staff function; duration: 4 weeks;

--Ranger course (Stage d'Entrainement Commando) in MOnt-Louis/Pyrenees; duration: 4 weeks;

--NBC defense course (Cours de Defense NBC) in Caen/Normandy; duration: 4 weeks.

The army achieved an important step in the intensification of the reciprocal sending of personnel to courses in that beginning with the 100th course now in progress it will transfer two officers, instead of one heretofore, to the Ecole Superieure de Guerre in Paris.

Soldier Exchange Program for Army Officers

At first glance, some readers may think: that is a term that does not say much. It may sound paradoxical but if one takes a look at the French designation for the soldier exchange program, which reads "echanges au pair," then it may be clearer in what way and under what preconditions soldiers are exchanged here. It is only a small mental step from the just-named "au pair" to the well-known "au pair girl." And year for year army officers and staff officers who are allowed to be guests in a French unit or school for a certain period of time arrive at approximately this situation of an au pair girl. French Army officers stay in German units under the same conditions.

By no means does the soldier exchange program involve a "new development" to intensify German-French army relations, for the agreement on the exchange of officers was signed as early as 18 April 1962.

It established the number of exchange officers at 20 per year and the duration of their stay at 2 weeks. In the course of the more and more intensive German-French relations, the number of exchange officers was increased to 30 per year in 1979. In addition, it was made possible to extend the time of the exchange to a total of 3 weeks.

Article II of the agreement gives some information on the meaning and purpose of the aforesaid exchange activities. "The purpose of the exchange is to promote the linguistic and technical knowledge of the exchange officers, to

give them the opportunity to compare the methods applied in both countries, to exchange ideas, and to form the bonds of friendship between the members of the two armed forces.

The fact that this purpose is not missed is seen in the positive echos in 95 percent of the cases as expressed in the corresponding reports on experiences. The exemplary hospitality that the German officer enjoys is especially emphasized again and again. This hospitality is characterized above all by official and private invitations. As a rule, the officer takes part in the duty activities of the regiment or school. In this way, he receives an insight into the training and structure of the duties of each unit. Besides the military service, cultural programs are offered on a regular basis.

For the exchange officer, this stay of 2 to 3 weeks is fundamentally a gain. This gain will be all the greater if the officer can fall back on his own knowledge of languages and if need be brush up on that knowledge through a short course in French at the Federal Language Office in Huerth or at the Military District Administration IV in Wiesbaden ("close cooperation is not possible without mutual understanding!"). Nor should one forget that "style and form" are highly valued in the French Army.

Apart from the obviously necessary language proficiency, there are no other preconditions for being able to participate in the soldier exchange program. Neither the military educational background nor the billets currently occupied nor even the service branch are decisive for the selection. The applicant is granted the possibility of expressing his wishes, be they in terms of time, place or a specific service branch.

Even though these stays in French units are relatively short, they do contribute to German-French friendship.

Liaison Officers

In early as 1961, the German and French armies agreed on the exchange of liaison officers at different schools. German liaison officers are currently participating at the following army schools:

--army command academy (Ecole Superieure de Guerre) in Paris;

--army officer school (Ecole Speciale Militaire) in St. Cyr-Coetquidan;

--artillery school (Ecole d'Application de l'Artillerie) in Draguignan;

--armored forces school (Ecole de l'Arme Blindee et de Cavalerie) in Saumur;

--infantry school (Ecole d'Application de l'Infanterie) in Montpellier.

From 1963 through 1984, a liaison officer was assigned to the airborne school (Ecole des Troupes Aeroportees) in Pau. This school is now being looked after on a part-time basis by the liaison officer with the infantry school. The air force has been assigning a liaison officer to the officers' school of the French Air Forces (Ecole de l'Air) in Salon-de-Provence since 1964.

The liaison officers represent their service branch or military service as "Rangers," inform the French Armed Forces about the Bundeswehr and establish contacts between the schools. In this connection, it should be emphasized that the supreme commander of the French Army and the army chief of staff [German], ordered in almost identical wording increased contacts between the service schools on both sides of the Rhine.

A similar role is played by the two exchange officers of the air force, who have been assigned to the 30th Escadre de Chasse in Reims since 1981 and the 8th Escadre de Chasse in Cazaux since 1982.

As a rule, the duration of the assignment of the liaison officers is 3 years.

Company Exchange

The legal basis for the activities in the scope of the company exchange is the agreement from 25 March 1965 between the federal minister of defense and the French Ministry of Defense on the exchange of units between the German Bundeswehr and the French Armed Forces in Germany (Forces Francaises en Allemagne).

Article 1 of this agreement states that there is agreement on a reciprocal exchange of units between the French Armed Forces stationed in Germany and the Bundeswehr. In an amending agreement from 6 September 1968, the area of applicability of the agreement was extended to the territory of the French mother country. The duration of the exchange was stipulated to be 3 weeks in each case.

As a rule, every year there is an exchange of three German units with three units of the French Armed Forces in the FRG as well as of a German unit with a unit of the French Armed Forces in France. For a period of 2 to 3 weeks in each case, the guest units take part in the garrison duties and/or training area stay of the host formation. In general, in agreement with the host formation, the guest units continue to carry out their national training program. Every opportunity should, however, be seized for the joint formation of duties (e.g. joint exercises, sports activities, shooting, etc.) When not on duty, all possibilities for deepening the existing contacts should be utilized.

The meaning and purpose of these exchange activities correspond to the comments made in this connection on the soldier exchange program for army officers. The navy and air force have similar exchange programs in a smaller scope.

Sponsorships

In principle, sponsorships can be entered into between formations, units and other duty stations of all military services of the Bundeswehr and allied armed forces of all nations stationed in Germany. The units involved should, of course, be comparable with respect to service branch, size and mission.

The sponsorships of German Army units with formations of the French Armed Forces in Germany (FFA) as well as in the French motherland near the border are especially intensive. In this case, the establishment of a sponsorship is decided by the army chief of staff, who issues an appropriate sponsorship document. This document forms the legal basis for the frequent and thereby very cost-intensive activities to be carried out in the scope of the sponsorship. The purpose of these activities is to maintain regular contacts with the sponsoring units. This means that for practical reasons the distance between the units involved should not exceed 100 kilometers. The involved units themselves determine what activities in particular are carried out.

At the present time, there are about 65 sponsorships, of which 55 are between German and French army units, of which, in turn, the largest share can be found in the area of the II and III corps as well as the South Territorial Command.

Friendly relationships can be established and maintained most easily on the basis of the very intensive contacts in the framework of the cultivation of sponsorships between units of different nations. This is also valid beyond the duty area.

Joint Exercises

Joint exercises and other training activities serve mainly in getting to know the operational principles as well as the structure and equipment of the partner. Three examples should be singled out from among the very numerous exercises:

The exercise Colibri carried out annually alternately in Germany and France has been bringing together the paratroopers of the 1st Airborne Division and the 11th Paratroop Division (Toulouse) since 1963.

The German Logistic Authorized Representative in France (DLBvFR, Fontainebleau) annually checks the possibilities of the Bundeswehr for support over French territory in the scope of the logistical exercise FORTE; besides the forces of the DLBvFR, various French duty stations take part in the exercise.

In addition to the other allied forces, French formations also regularly take part in the exercises of the German Army; in 1987, the Force d'Action Rapide (FAR = rapid strike force) of the French Army will exercise for the first time on German soil together with the German II Corps. This major exercise is a clear sign of French solidarity with the FRG.

Outlook

The brief description of the German-French personnel exchange shows how tightly and well the network of personal contacts between the two armed forces has now been woven. But there is no reason to "rest on one's laurels." A further improvement and intensification of the bonds must be in the interests of both sides.

The corrsponding costs must, of course, be observed in all new activities. The following measures could be taken in the short and medium term with a relatively small financial outlay:

--increased exchange of soldiers (echanges au pair); 2 to 3-week stay of officers and noncommissioned officers in the formations of the host country;

--increased attending of courses in the service schools of the host country; attending of special courses lasting 3 to 4 weeks;

--strategy seminars with the Centre des Hautes Etudes Militaires in Paris.

To realize these proposals, it will certainly be necessary to have more volunteers who are prepared to open themselves to a foreign country and neighbor, "to build bridges over the Rhine," and to tear down language barriers.

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CSO: 3620/299

TOBBACK HITS MILITARY BUDGETING, PROCUREMENT POLICIES

Brussels KNACK in Dutch 17 Jan 87 pp 29-36

[Interview with SP parliamentary caucus chairman Louis Tobback, by Frank de Moor: "The Army Cannot Use All Its Money"; first paragraph is introduction]

[Text] Louis Tobback has once again plunged into figures. He has discovered that the budget of the Ministry of Defense has continually risen over the past 5 years, and that the military has even received more than it has spent.

Even though Minister of Defense Francois-Xavier de Donnea has abandoned his 10-year-plan, he will nevertheless attempt in the weeks ahead to introduce certain military purchases. Still, he will have to explain whether Belgium can simply continue to do everything that NATO has promised in the past.

National defense is at a turning point. SP parliamentary caucus chairman Louis Tobback even says that the moment of truth has arrived. First the question of whether it is not discouraging to be right for 10 years but not to be put in the right.

Tobback: When I reread my interpellation of 9 December 1976 and my interview in KNACK of 21 September 1977, I see that I am now in fact being put in the right, in several areas. For example, back then I said to Minister of Defense Paul Vanden Boeynants that he could certainly not take an annual increase in the defense budget of four percent as a basic premise. That would mean that the national defense budget would become a geometrical progression, I predicted at the time. Well, now I think that the current minister of defense, Francois-Xavier Donnea, has to learn that.

I also said 10 years ago that our armed forces are assuming too many responsibilities that they cannot live up to. Now Minister of Defense de Donnea is saying that Belgium urgently must negotiate with its allies on a revision of responsibilities. The things that I was screaming about in KNACK, much to the dismay of the generals, about their power and their allegiance, is now being put forth by the minister of defense himself. With respect to my interpellation concerning the disputed ammunition procurement, the minister of defense noted that procurement policy at Defense would be better off in the hands of civilians. When the military raised a flap about that, de Donnea did back off, but in the meantime made the same analysis as I did.

Moreover, what am I reading 10 years later in the newspapers? I quote HET BELAND VAN LIMBURG: "When will there finally be a revolt against the lamentable procurement policy of the Belgian army? (...) Who will ultimately demand clarification of this deception?" Permit me to smile at that. I can also quote HET VOLK in connection with the non-substitution of the Nike anti-aircraft missiles: "Belgium sooner or later will have to choose: tanks or airplanes or ships or artillery. It is no longer possible to have it all." Weren't we saying that 10 years ago? Even the GAZET VAN ANTWERPEN is apparently discovering that it "is the duty of politicians to thwart greedy military officials and industrial lobbies..."

Practically everyone is now saying the things that we were talking about 10 years ago, only delayed. This is why I don't feel so dissatisfied, even though it is a shame to only be put in the right 10 years later, but I was put in the right because I was right. That itself is not a socialist viewpoint, it is a purely factual analysis. It is naturally a different thing to indicate the necessary consequences of this, and what the minister is now doing does not correspond with the analysis that he has drawn up. For example, he dare not put procurement policy at Defense into the hands of civilians because he is sabotaged and terrorized by the general staffs.

KNACK: Is it not paradoxical that a liberal like Vice Prime Minister and Minister of the Budget and of Scientific Affairs and Planning Guy Verhofstadt is achieving things at Defense through line-by-line economy measures that a socialist could never have imposed on a liberal like Minister of Defense de Donnea?

Tobback: It is true that Verhofstadt is playing an important role here, but that is not paradoxical. When I said 10 years ago that an annual increase in the defense budget of four percent in real terms should no longer be permitted, I also noted that it was consequently wrong to establish structures in the capacity of budgetary growth that would in fact turn out to be infeasible in the long run. Well, all this has certainly come about according to the predicted scenario.

From June 1977 to September 1981, when the socialists were still coalition partners, defense spending was curbed, primarily under pressure from the SP. I do admit that we were unable to implement the structural changes that were surfacing even then. Beginning in 1982, a period began in which the government--without the socialists--succeeded in disguising the truth and letting the defense budget increase each time, while other departments had to accept cuts. I will return to this point in greater detail.

Now that Minister of the Budget Verhofstadt wants to implement his Saint Anne's savings program, the moment of truth has arrived. Either this government openly and brazenly follows Thatcher and Reagan, screaming down with butter and up with guns, or it starts saving money on guns as well. Because Verhofstadt is not willing to grant Defense any preferential treatment, he feels that the military must also accept cuts. However, he is demanding this without any real vision for Defense, just as he is doing so without any vision at the Ministries of Education or of Public Health or any other department that he is trimming away from. However, he has adversaries

within the government, such as Vice Prime Minister and Minister of Justice Jean Gol (PRL), who would in fact permit an exception for Defense. These are moreover the people who are working against Minister of Defense de Donnea within his own ranks. The Brussels salons clearly cannot read and cannot count; former Minister of Defense Jose Desmarets (PSC) dared to contend that the defense budget has been continually decreased by one-fourth. How can you even argue against such nonsense?

KNACK: In contrast, you contend that the budget of the Ministry of Defense has continually increased since 1982. And yet the accompanying memorandum to the 10-year-plan for Defense, which we published on 4 February, states that Belgium, with around 25 billion for major military procurement and investment, has achieved a level "that we have not seen since 1977" (sic). And in the meantime de Donnea has again advocated his annual increase of four percent.

Tobback: I quote that which members of parliament have acces to, meaning the budget figures that they have approved and those of the adjusted budget, the so-called supplementary credits. In order to reflect reality as faithfully as possible, I will thus compare the adjusted budgets of 1982 through 1986. In 1982, the adjusted national budget came to 1,597.684 billion. In 1986 that figure was 1,972.934 billion, an increase of 23.5 percent. If we deduct from this the payments for the national debt, we are left with 1,330.944 billion in 1982 and 1,544.292 in 1986, an increase of 16 percent without the debt. Well, during the same period the defense budget rose by 23.9 percent: In 1982, it was 88.225 billion, and in 1986 it was 109.297 percent. Over the same period the budget for National Education increased by only 13.3 percent and government expenditures in the social sector, including pensions and public health, went up by 15.5 percent. In contrast, the budget of the national guard rose from 1982 to 1986 by 34.6 percent.

KNACK: A qui profite le crime?

Tobback: Indeed, but with an increase in the consumer price index during the same period of 21.6 percent. This means that National Education, for example, surrendered 8.3 percent of its buying power, but that Defense and the national guard rose above inflation by 2.3 and 13 percent, respectively.

Moreover, the relative share of Defense in the national budget rose from 6.6 percent in 1982 to 7.3 percent. Thus, the credits made available to Defense by parliament have certainly not decreased.

KNACK: What was the response of Ministers Verhofstadt and de Donnea to this on Wednesday, 3 June in the Chamber Commission for Defense?

Tobback: They agree with my figures, but say that serious cutbacks are over now with the Saint Anne's plan. That remains to be seen by me, because up to now I can only say that the minister of defense, now they he must really accept cutbacks, is immediately screaming from the rooftops that it cannot be done.

But let us just take them at their word. In 1986, as I said, the defense budget was 109.207 billion. This year it would be only 105.625 billion, so

far without any supplementary credits. That still gives us an increase from 1982 to 1987 of 19.7 percent, while total national spending after the Saint Anne's plan and excluding the debt has risen during those 5 years by only 9.1 percent. If the difference between the increase coefficient of national spending and Defense from 1982 to 1986 was all in all 7.9 percent, then the difference from 1982 to 1987 has risen to 10.6 percent.

So it is true that Defense is getting less in 1987 than it did last year, but it continues to cut back proportionately less than other departments. The defense budget continues to rise by 19.7 percent this year, that of the national guard by 39.9 percent, still in comparison to 1982. The government is thus choosing guns and not butter, and if it moreover must choose between kindergarten teachers and national guardsmen, it chooses in favor of national guardsmen, which does not say much for its taste.

I would like to note in passing that all departments had to surrender to the federal government the pay cut that was imposed on their personnel. Defense for its part was allowed to keep it, even though career military personnel had to in turn accept cuts. Thus, it still appears that they do not realize that they are in thus way helping to pay for their own materiel and that the army leadership is ultimately taking money out of their pockets in order to please the lobbyists and industry. And I haven't even said anything about the extra funding that Defense has had sent its way via Scientific Affairs and Planning, the so-called selective bracket system, and Public Works.

In discussing these figures which Vice Prime Minister and Minister of the Budget Verhofstadt does not, I repeat, does not dispute, he uses a very odd argument. He says that Defense has indeed accepted cuts of seven percent between 1982 and 1987 on the basis of actual passed payments, meaning the payments effectively made. In other words, on the basis of credits granted they have, as I calculated above, received 19.7 percent more, but on the basis of real expenditures Verhofstadt says that they have cutback by seven percent. I think that he is citing these figures sincerely, because they make the whole matter even more serious. After all, this means that parliament between 1982 and 1986 in fact made 26.7 percent (19.7 plus 7) more credits available to Defense than the army leadership was able to spend. The problem is thus not parliament, which is supposedly giving inadequate credits to Defense, but rather the staff in Evere that is unable to spend the money that parliament has made available to it. The generals are thus simply incapable of managing that money. That is ultimately what Vice Prime Minister and Minister of the Budget Verhofstadt is saying. Either he is lying, or they have lied to him.

KNACK: In the memorandum mentioned above, Minister of Defense de Donnea cites certain NATO data, one of the conclusions being that Belgium "in view of the new budgetary framework in the coming 5 years will be able to realize only 56 percent of its so-called force goals and only 38 percent of its priority objectives," etc. What is going wrong here?

Tobback: We should subject that question to a very thorough study. Still, the basic assumptions are obvious. Take, for example, the most recent edition of "Military Balance 1986-1987" by the International Institute for Strategic Studies (IISS) in London, page 212, where the total defense expenditures of

the NATO countries are compared, including spending on pensions and for the national guard. Well, in 1984, and this is still according to the IISS, Belgium spent 3.2 percent of its gross national product (GNP) on defense. As you can see from this table, only the big powers, such as the United States with 6.4 percent, Great Britain with 5.5 percent and France with 4.1 percent are doing better than we are. The Greeks and Turks as well, but they live on the brink of war. With our 3.2 percent of the GNP, we thus spend just as much on national defense as the FRG and the Netherlands. So there is no reason to be ashamed.

However, if we now compare these unimpeachable figures with those that you just cited from the de Donnea report, then it all becomes much more clear. With 3.2 percent of its GNP, Belgium realizes 56 percent of its military objectives and 38 percent of its priority objectives. In contrast, the Netherlands, with 3.2 percent of its GNP, manages to realize 83 and 90 percent of its objectives, respectively. With 3.3 of its GNP, the FRG realizes 91 and 93 percent of its objectives, respectively.

In short, even those who spend less of their GNP on defense do better than the Belgian military. Either Defense is suffering from bad management, or the definition of our objectives is so ambitious that the effective goal is too high for the Belgian army. It is one of these two things. The army has a management that is not a management, where the managers spend their days at receptions. The day that the general alarm is sounded or mobilization is announced, everyone will come streaming out of the mess halls. In addition, Belgium wants to assume too many NATO responsibilities. We have a Madurodam army that nonetheless wants to do a little of everything.

KNACK: How do we get around that?

Tobback: You can never eliminate waste. But as a start, you must restore the authority of a minister and of the government to set bounds to all of those goings-on. After the affair concerning the disputed ammunition purchase, Minister of Defense de Donnea did draw up a strict analysis, but the joint staff was in his office the next day complaining about such unkind statements. Since then, I can only say that the minister has had his tail between his legs. Another approach is that of Vice Prime Minister and Minister of the Budget Verhofstadt, who is simply turning off the faucet. This is also the wrong way, because now it is a situation of every man for himself. Here we have the political astuteness of the gang around Lieutenant General Jac Lefebvre, the former cabinet chief of VDB and current chief of staff of the air force. He is well on his way to keeping the air force out of harm's way.

KNACK: Is it not an illusion to restore a political hold on Defense if there are continually objective alliances between Defense and industry and the political sphere plays a role as intermediary between them?

Tobback: Thus far, that has in fact only been the case between the air force and the Walloon-Brussels aviation industry, with the exception of the armored infantry combat vehicles, that does not involve Walloon industry, but rather an ASCO workshop in Aubange, and people are gradually finding out about that.

Through the supplementary procurement in 1983 of 44 F16 fighter-bombers, the air force did in fact succeed in getting the newest materiel and for a short time shielding itself from economy measures. Since then, the air force under the leadership of Chief of Staff Lefebvre is again actively working on just committing itself far enough to the French Rafale fighter-bomber program to lay the stepping stones for a subsequent purchase through a couple of letters of intention. The procurement of electronic means of warning and protection (ECM--Electronic Counter Measures) is only a secondary matter for the air force, because strictly speaking it does not affect the continued existence of certain orders and because the people who earlier agreed to the purchase of the F16s will now be in a particularly difficult situation if they do not want the electronics to go with them.

Things are different in the navy. Only last week, de Donnea said that it will not be possible to replace the frigates before the year 2000 under current circumstances. That is thus the end of the Belgian naval forces.

KNACK: You say that the air force has a political perspective, but that it is helped in this by political-industrial groups. Now take the discussion that is gradually developing concerning the desirability of again stipulating direct instead of indirect compensation, and thus of tinkering with the military orders themselves rather than with something else, for the same amounts of funding. Direct compensation in the manufacture of the Rafale would thus be the dreamed-of pillar for helping out the Gosselies plateau with Sonaca, Sabca and others?

Tobback: I think that we must break with the policy of compensation. I refer again to the example of the jeep procurements for the land forces, whereby 300 percent compensation was promised. Well, first of all, a private person could buy a Mercedes jeep at the truck showroom on the Heizel for less money than the unit price of an ILTIS jeep, of which the army ordered 2,400 from Bombardier-Volkswagen. What is the point of this if you moreover know that the compensation must benefit BN [Brugeoise et Nivelles] but that BN has in the meantime been bought out by Bombardier and that the jeeps also appear to be good for nothing.

This also appears to be case with the 22 percent compensation for the Flemish Aerospace Group (FLAG), and I hear that our companies must be competitive most of all in price and quality. What then is the compensative character of these orders? In that case, the Americans would be crazy not to buy in Flanders. I am consequently in favor of us starting to tinker wherever possible, without this incurring more costs.

I do ask that a stop be put to continually creating supplemental production capacities. If we, for example dare to follow the chairman of the Flemish Executive, Gaston Geens (CVP) and help him build his Sikorsky factory, then there is no real danger that we will continue to order helicopters in order to keep that factory open; even if they put every Flemish Community minister in a helicopter that would make nine of them. The fact that Flanders in the so-called globalization program of 1983 did not come into its own with regard to compensation from the military orders in question cannot be a reason to now purchase helicopters. Let us discontinue that globalization program, draw up

the balance and give Flanders, for example, x billion rights to draw currency in order to compensate for its deficit. That would at least keep the money from being thrown away into bottomless pits.

KNACK: So you do not believe that military orders are also pillars of industrial renovation?

Tobback: I have a very simple response to that question. What have the Japanese invested in research and development for defense projects? Next to nothing. They have invested their money in intelligent projects. It is utter nonsense to want to participate in military projects in order to get the reputed spin-off from them. We have been gathering spin-off from military projects for 40 years now, and we are almost out of existence.

Table 1. According to the above-mentioned memorandum from Minister of Defense de Donnea, this table "in which the degree of realization of the objectives of the military forces for the period 1987-1992 are indicated (...) shows the poor results of our efforts." If, however, the share of the GNP that these countries spend on defense is positioned next to these figures, as caucus chairman Tobback has suggested, then it is seen that Belgium clearly is not spending too little on defense, but that Defense is making poor use of its resources.

	Share of GNP for defense	Realization of NATO objectives	Realization of Priority NATO objectives
Belgium	3.2 %	56 %	38 %
Denmark	2.3 %	75 %	71 %
FRG	3.3 %	91 %	93 %
Italy	2.7 %	74 %	75 %
Netherlands	3.2 %	83 %	90 %
Norway	2.8 %	75 %	65 %
United Kingdom	5.5 %	98 %	98 %
United States	6.4 %	86 %	98 %

source: IISS source: NATO

Table 2. The Growth of the Budgets, 1982-1986 and 1982-1987 (in millions of francs)

	1982 adjusted	1986 adjusted	1987	% growth 1986/1982	% growth 1987/1982
Total national budget	1,597,684.2	1,972,934.4	1,855,148.1	+23.5	+16.1
National budget (excl. debt)	1,330,994.4	1,544,292.5	1,451,755.2	+16	+ 9.1
Various	96,953	107,149.3	103,083.2	+10.5	+ 6.3
Social departments	419,881.5	484,831.3	435,224.5	+15.5	+ 3.6
National education	254,534.3	288,584.5	281,280.2	+13.3	+10.5
Economic affairs	255,717.5	311,812.9	289,380.8	+21.9	+13.2
Domestic affairs	77,063.4	94,510.3	88,867.2	+22.6	+15.3
National defense	88,225.8	109,297.9	105,625.1	+23.9	+19.7
National guard	14,119.2	19,016.8	19,764.4	+34.6	+39.9

This table shows how the budgets of national defense and of the national guard have strangely continued to increase while other departments have been forced to accept cuts.

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CSO: 3614/88

FEDERAL REPUBLIC OF GERMANY

MILITARY

DORNIER DEVELOPS BATTLEFIELD RECONNAISSANCE SYSTEM

Friedrichshafen DORNIER POST in English No 2, Feb 87 pp 36-37

[Article by Herbert Friedl and Holger Schuette, "Priamos Demonstrator for Primary Reconnaissance and Detection"]

[Text] The Priamos demonstrator system comprises a Remotely Piloted Vehicle (RPV) with MTI radar and ground station units installed on several trucks. The station controls the RPV and evaluates radar data. The RPV is an untethered coaxial rotor platform of small dimensions and a favourable payload-to-weight ratio. As a consequence, the Priamor unit reaches its maximum mission altitude of 4,000 m above sea level in a few minutes. Its good flight and hovering characteristics provides a stable platform for the reconnaissance radar which ensures good terrain visibility. The pulse doppler radar used for the Priamos demonstrator can scan a 90° sector to a distance of 60 km in just under five seconds, detecting and displaying moving targets in real time. The radar which will be used in the operational system has a much higher performance than the demonstrator radar.

System Configuration

The demonstrator setup consists of the following subsystems:

- Flight Vehicle (carrier platform) with MTI radar
- Telemetry/telecommand station on the ground
- Pilot's control stand
- Position tracking radar
- MTI radar ground station

In the operational system, the functional units of the ground station will be housed in a telecommunications shelter (Fm2), with the KZO ground control station being considered for use.

Flight Vehicle

The flight vehicle is based on the Gyrodyne QH-50D unmanned coaxial helicopter developed in the United States in the 1960s and delivered in larger numbers (some 750 units) mainly to the U.S. Navy. The basic system (airframe, rotor system, gearbox, Boeing engine) have been taken over by Dornier without modifications. The telemetry/telecommand system is being replaced by advanced available equipment. The onboard flight control system (sensors, autopilot, servomotors), the landing gear with radar attachment points, and the airborne electrical system are being newly developed by Dornier. The MTI radar used initially will be the Orphée of the French firm LCTAR which has already been tested in the Argus I System and modified for the mission height of 4,000 m.

Telemetry/Telecommand Station on the Ground

This station is being newly designed by Dornier with available high performance equipment. It will be installed in a tele-

communications shelter. The station also houses analog and digital signal recorders for flight test evaluation and data storage. There is an operator's console and a colour monitor which displays flight conditions and position data for the flight test engineer.

Pilot's Control Stand

To control the flight vehicle within and outside the visible range, the remote pilot is located in a separate, protected pilot's control stand near the telemetry/telecommand station. The stand id equipped by Dornier with a modern console and a colour display showing flight data and the position of the vehicle. For data transmission, it is linked with the telemetry/telecommand station by cable.

Position Tracking Radar

For exact position tracking of the carrier platform, the "Fledermaus" radar system is used. This radar is located within a distance of 1,000 m from the launch/landing site. The tracking data is relayed by radio to the telemetry/telecommand station and then to the flight vehicle where it is used to update the Inertial Navigation System.

MTI Radar Ground Station

The MTI radar ground station, has also been taken over from the Argus I – Orphée programme. The real-time console provided by LCTAR is being installed by Dornier in a telecommunications shelter equipped with recording devices and mounted on a 2-tonne truck to provide a mobile station. Radar and control data are transmitted by cable between the telemetry/telecommand station and the radar ground station.

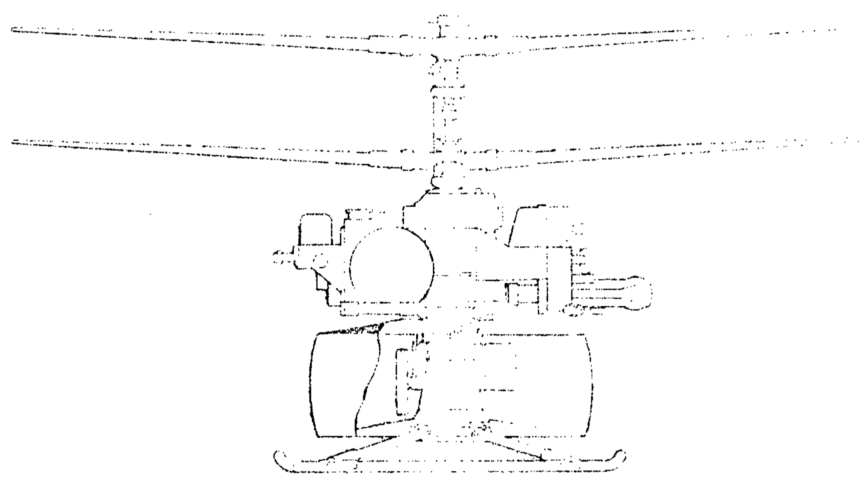
In September/October 1986, Dornier project personnel received intensive instructions from Gyrodyne in the USA on the operation of the flight vehicle and its ground support systems. This familiarization was successfully completed with several engine test runs and test flights on a hovering fixture with limited control of the tethered rotor platform. After signing of a technology transfer agreement between Dornier and Gyrodyne, the flight vehicle was delivered to Dornier at the end of December 1986.

The hardware development of the individual assemblies listed in Table 1 started in early 1987. The development of a QH-50D route model by off-line simulation has been completed by Dornier and is being used for the design and development of a new digital flight control system and for hardware-in-the-loop simulation. This simulation is to minimize the development risks and flight test costs before the start of actual flight testing.

Preparations for tethered test flights on the hovering fixture of a rotor test stand have started. These trials are necessary to test the dynamic system which was disassembled for transport, after reassembly. When the planned hardware development is completed at the end of 1987, hardware simulation and the integration and test phase will be conducted until August 1988.

Between October and December 1988, secured free flights at mission heights to be cleared by ML (Militärische Luftfahrtprüfstelle), are planned. In 1989, the radar platform is to be tested and demonstrated in untethered flights up to 4,000 m at a military test range.

Dornier envisions further applications by the Navy of an operational Sea PRIAMOS for use on ships (destroyers, fregates, torpedo boats) as unmanned ship-based rotor platform for over-the-horizon targeting and weapons training and as a carrier platform for weapon and anti-submarine systems. ■



Flight Vehicle with MTI Radar

- Basic system (airframe, rotor system, gearbox, engine) ●
- MTI radar ●
- Telemetry/telecommand system ◐
- Airborne flight control system ○
- Landing gear with radar attachment points ○
- Airborne electronics ○

Telemetry/Telecommand Station on the Ground

- Shelter for installing the electrical system ◐
- Telemetry/telecommand system ◐
- Operating and display systems ◐
- Recording devices ◐

Pilot's Control Stand

- Protected cabin with electrical system ◐
- Display unit ◐
- Control console ○

Position tracking Radar

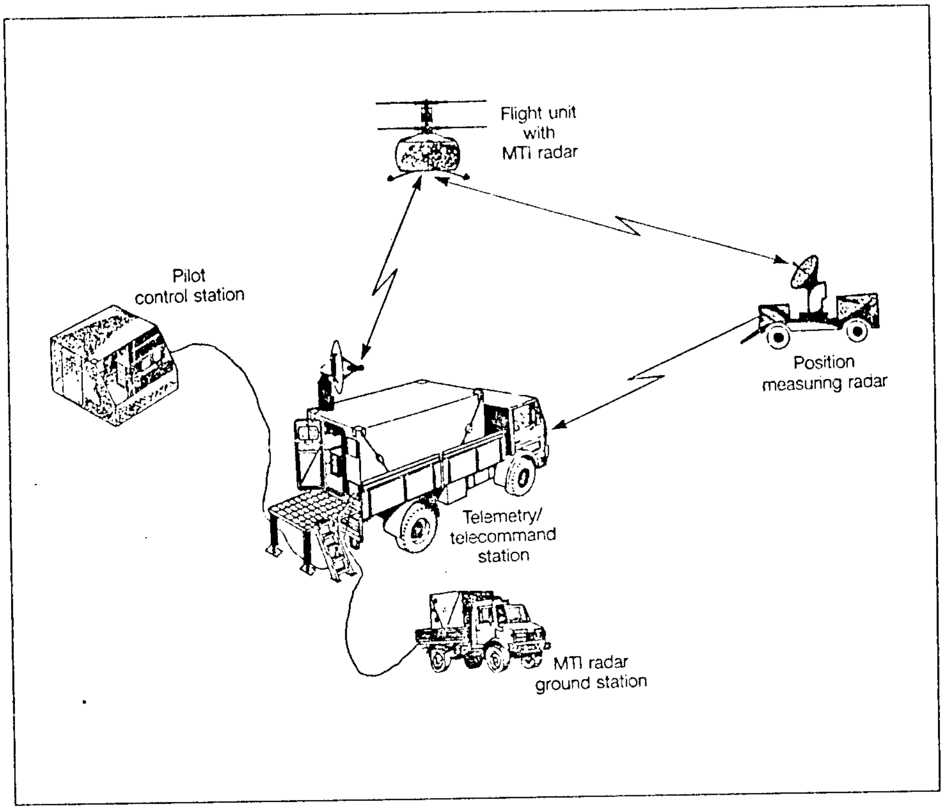
- Surveying radar ●
- Transmitter/receiver unit ◐

MTI Radar Ground Station

- Shelter for installing the electrical system ◐
- Realtime console ●
- Recording devices ◐

● Available components
◐ Purchased and adapted components
○ Developed components

Flight Vehicle with MTI Radar



Demonstrator Test Setup

MINISTER OPPOSES WOMEN'S SERVICE

Helsinki UUSI SUOMI in Finnish 20 May 87 p 8

[Text] The new Defense Minister Ole Norrback (Swedish Party) opposes military service for women. New legislation on equality of the sexes does demand, according to him, that the opportunities for career advancement must be improved for women employed by the military.

Laws governing UN peacekeeping forces should be changed in Norrback's opinion so that women serving with the peace-keeping forces could defend themselves with a weapon.

Norrback expressed his opinion as he received a petition opposing the militarization of women.

13002/9599
CSO: 3617/102

FINLAND MILITARY

ARMY TESTING FRENCH APILAS ROCKET-PROPELLED GRENADE

Helsinki HELSINGIN SANOMAT in Finnish 29 May 87 p 15

[Text] The new, French, rocket-propelled grenade, the Apilas, was tested at the reserve officers' school gunnery range at Pahkajarvi in North Valkeala.

The launcher, which weighs 9 kilos, first shot two concrete-tipped practice rounds and then a 112 mm hollow steel grenade. All three shots hit the target.

The decision to procure the Apilas rocket-propelled grenade was made last year and the first shipment arrived at the beginning of the year. Almost 300 million markka's worth of the weapons were purchased from the Matra factories.

The cost will be spread over the budgets of several years and the seller has agreed to compensatory purchases to 100 percent of the value of the weapons. The largest single compensatory purchase was machinery valued at 265 million markkas that was bought by a French paper mill.

The weapon is considered to be more accurate and easier to aim than earlier light grenade launchers. The most important characteristics, however, is the efficiency of the weapon. A hollow grenade is launched with an initial velocity of 290 m/sec and will pierce 700 mm of armor, that is to say any known armor, from all possible firing angles. The maximum efficient range is about 350 meters.

On Wednesday the weapon was fired by two staff members and one soldier.

The best marksmen from among soldiers will begin training with the weapon when next October's shipment arrives.

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CSO: 3617/102

BOOKS ON SECURITY POLICY REVIEWED

Helsinki HELSINGIN SANOMAT in Finnish 19 May 87 p 18

[Book review article by Lauri Haataja]

[Text] At the end of the 1960's the term "security policy" became a cliche in Finland. As befits a political motto, it is conceptually flexible and is useful when it is desirable to avoid referring to matters by their actual name.

The book "Finland's Security Policy" tries to prove that the term transcends history by characterizing Finland's policy throughout the period of independence as a "security policy." The book defines foreign policy as the most important part of that policy. Its other founding pillar, defense policy, is described as being a support of the former.

According to the traditional development of the Finnish language it would be reasonable to assume that, just as it is not necessary to adopt the loan word "safety match" as a literal translation into our language, we could also leave "security policy" for foreign languages to use as a disguise for their policies.

The classical definition of foreign policy includes everything that a security policy is purported to do: defend the territorial inviolability and freedom of political action for the state, further the state's influence internationally and recognize that achievement of these goals may include either warlike or peaceable means.

Neither "Finland's Security Policy" nor its more militaristic original version, "Aspects of Security," answer the question: why has the term "security policy" been adopted in Finland? Nor can the answer be found in the "Bibliography of Finland's Security Policy" edited by the Foreign Policy Institute. The 2,249 headings it contains merely reveals that whatever is not domestic policy is security policy.

The separation of domestic matters from "security policy" leads to hypocritical explanations in a country like Finland where a violence backed democracy established the political foundations of the state as well as its continuing place among the world's sovereign nations.

(7)*Kekkosen kilpailijat vuoden 1956 vaaleissa moittivat maalaisliittoa Paasikiven ja Kekkosen Moskovan-matkan häikäilemättömästä käytöstä kampanjassaan. Myös kekkoslaisten termiä Paasikiven—Kekkosen linjaa arvosteltiin. "Minä en voinut mitään. Herra presidentti. Hän kiilasi." Karin piirros (HS 23.9.1955).*

Key:

1. Welcome Home
2. Hurray for Paasikivi
3. Vote for me and you'll get Karjala back
4. I am the ONE who did it
5. The Kekkonen policy
6. Tune in to Virolainen's radio speeches
7. During the 1956 presidential campaign Kekkonen's competition criticized the Agrarian Party's unreserved use of the benefits gained by the trip to Moscow by Paasikivi and Kekkonen as campaign propaganda. There was also criticism of the use of the term coined by Kekkonen supporters: Paasikivi-Kekkonen policy. "I could not help it Mr President, he swerved right in front of me.

Thus "Finland's Security Policy" explains that security policy has been achieved by foreign policy actions during the first 2 decades of independence, by arms during the World War II years, and by words during the post war years. The desire to conform has caused the authors to block their ears and close their eyes to the policy behind the "security policy."

In a manner typical of a collection of articles many great thoughts are not completed and the actual heart of the matter is left out.

"Finland's Security Policy" completely leaves out mention of the very concept that makes the policy initiated by Paasikivi different from the one it replaced.

Paasikivi accepted the concept of a military frontier on the western borders. Once this fact is acknowledged it could be asked: has it not been military policy which has determined Finland's foreign policy, and: is not military policy therefore the most important component of "security policy?" In vain the reader seeks an explanation to why, at the end of the 60's, "neutrality" was changed to "security policy" and then, in the 70's, an even more extensively defined "security policy."

Neither are there any explanations for the successive steps of developing Finland's armed forces as they tie in with foreign relations events and crises. The concept of a tiny Finalnd, accepted by the authors, fails to give insight to President Urho Kekkonen's initiatives in a broadly defined security policy, as he spoke about a permanent peace and a pre-emptive weeding out of the causes of war.

In the final analysis "Finland's Security Policy" is an attempt by war historians and students of foreign policy to write the history of Finland from a non-domestic viewpoint. Therein is a paradox for the explanation for Finland's "security policy" must be sought in a sphere with which the book does not deal: domestic policies and the national culture. The direction of foreign policy has changed time and again as has the position of the military. The people's faith in the future, their desire to survive and their will to defend themselves are not subject to change in direction.

"Finland's Security Policy" is worth reading because of the issues it raises. Researchers and authors who are at the very forefront of foreign policy experts and military historians give the reader a key with which to interpret research papers on specific topics.

13002/9599
CSO: 3617/102

BRIEFS

ARMED FORCES LABORATORY MOVES--The chemistry department of the armed forces research institute will be moved from Harakkasaari in Helsinki to Ylojarvi. Since it was decided to have research facilities nearby the Pirkanmaa District will also get an ultra-modern research laboratory. The construction of the chemistry department building will be completed early next year and all operations will have been transferred to Ylojarvi in a little more than 1 year. [Text] [Helsinki UUSI SUOMI in Finnish 17 May 87 p 11] /9599

CSO: 3617/102

ELECTRONIQUE SERGE DASSAULT EQUIPPING NEW WEAPONS SYSTEMS

Paris L'USINE NOUVELLE in French 23 Apr 87 p 38

[Article by Jean-Pierre Casamayou: "ESD on the Road to Success"; first paragraph is source introduction]

[Text] Electronique Serge Dassault, under new direction by Bernard Daugny, wants to equip the European combat plane.

By joining the recently created European Fighter Aircraft economic interest group, Electronique Serge Dassault (ESD), France's second-ranking company in defense electronics, is preparing to equip Rafale's military progeny.

Last year's good results have given the company the means to carry out its ambitions: revenues up by nearly 19 percent to Fr 3.7 billion, orders received worth Fr 4 billion, and Fr 133 million in profits. Growth should continue at the same pace this year (Fr 4.3 billion are expected), with a rise in its radar activity, which should immediately double with the increased production of Mirage 2000 radars, the RDI (in cooperation with Thomson) for the intercept version, and the Antilope 5 for the incursion model.

Furthermore, it is in the field of Doppler navigation radar that ESD has specialized. The Saint-Cloud company has already delivered over 2,200 instruments, which is experience enough to challenge its associate and rival, Thomson, for the radar of the future tactical combat plane.

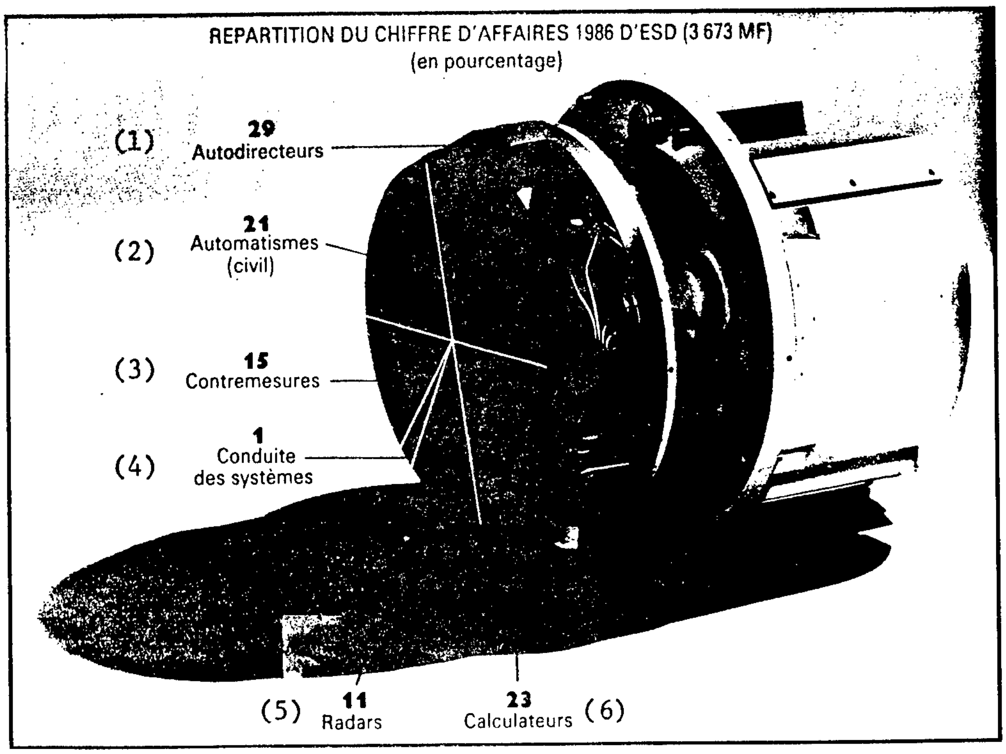
ESD also has plans in the field of electronic countermeasures. Bernard Daugny, 61, who succeeded Serge Dassault as CEO of the company Serge founded with Marcel Dassault, claims to be the European leader in this new and difficult, but promising, market. A sector whose turnover should double in 2 years. An important contract has already been signed in Spain, and the nuclear aircraft carrier included in the recently approved military program bill will be equipped with ESD jamming devices. Many arms systems proposed by this bill will also favor Bernard Daugny's products, digital computers in particular.

From ballistic missiles to the Leclerc tank, ESD has in fact succeeded in placing its computers and data transmission buses on most weapons systems. Together with SAGEM [Company for General Electricity and Mechanics Applications] it also recently won the competition for the important PMF and CMF (French military processor and computer) programs. Thus, ESD is certain of a place on all future nuclear submarines and combat planes.

Moreover, ESD is the undisputed leader in seeker heads (miniradars mounted on missile nose cones which guide them to their target). ESD is the leading European manufacturer with over 7,600 instruments ordered, and it supplies all the Aerospatiale Exocet missiles, the Super 530 D, and the new Mica (which the government has recently given [omission in original text]).

Well placed in all weapons programs, ESD will continue to grow. Especially as Bernard Daugny does not intend to abandon the industrial policy which made his company a success: the major role given to subcontracting. ESD makes systematic use of certain companies to mass-produce, and sometimes even develop, parts. As a result, ESD concentrates on R&D (over half of its 4,000 employees are engineers), assembly, and quality control, thus allowing its subcontractors to acquire otherwise unavailable technologies.

Graph. Breakdown of ESD's 1986 Turnover (Fr 3,673 million)



Key:

1. Seeker heads, 29 percent
2. Automation (civilian), 21 percent
3. Countermeasures, 15 percent
4. Systems control, 1 percent
5. Radars, 11 percent
6. Computers, 23 percent

[Caption] The Anemone radar on board the Super-Etendard. Exports account for 35 percent of ESD's turnover.

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CSO: 3698/A226

COMBAT HELICOPTER A-129 TECHNOLOGY, CAPABILITIES DESCRIBED

Rome AIR PRESS (Supplement to No 50) in Italian 27 Dec 86 pp 3-34

[Excerpts] In 1987, the first European combat helicopter specifically designed for that role will become operational. An even more advanced version is scheduled for development beginning in 1995, at which time the systems currently expected to become available by then will be incorporated, and the three roles presently assigned to two different versions will be combined in a single airframe.

Both these projects, the first in Europe in the field of "dedicated" combat helicopters, and in certain respects more advanced than the corresponding programs of the two superpowers--the United States and the Soviet Union--are the product of a program designed and developed in its entirety by the Agusta Group: The A-129 pogram. Conceived at the request of the Italian Army (and satisfying the specifications laid down by FINABEL, the organization made up of the chiefs of staff of the European Community's NATO armies), the A-129 Mangusta helicopter is already in its mass production phase, while Tonal, the result of an agreement among Italy, Great, Britain, the Netherlands, and Spain, is the first joint European helicopter program based on an Italian design.

The prime consideration in the typological characterization of the combat helicopter is minimal surface area, principally from the frontal viewpoint, so that the machine will be difficult to detect by means of radar and optical sensors, and so that it will present the smallest possible target to the defenders. This is the criterion that, in the early 1960's, governed the design of slim-bodied fuselages for the first generation of attack helicopters; and it has retained its full validity in the helicopters of the succeeding generations. Similarly, maneuverability and agility are also elements that are essential to the combat helicopter's ability to mask its approach by taking maximum advantage of the features of the terrain. The foregoing characteristics, however, are, in themselves, not sufficient to make, of a good helicopter, the ideal machine to operate, and to survive, on the battlefield. As a matter of fact, the generation that succeeded the Cobra is actually characterized by additional capabilities developed on the basis of the nature of the operations to be carried out, as well as an array of features that, to some extent, can also be applied to machines originally designed for other tasks.

For example, systems for lowering the heat of engine exhausts so as to reduce their infrared signatures, electronic countermeasures systems, and state-of-the-art instrumentation for flying under any and all weather conditions have all been added to assault troop transport, hostile-environment rescue, and antisubmarine helicopters. They can be installed on helicopters of any type, provided the latter are equipped with sufficient power; and they can yield satisfactory results in various situations. But they do not transform just any helicopter into a machine capable of contributing effectively to the operations of ground forces in a modern theater of operations. Armor-plating can also be added to protect a helicopter's vital organs. But by applying a suitable design and using the new technologies now available, it is possible to almost entirely eliminate such armor-plating while at the same time achieving an invulnerability heretofore thought to be out of the question.

Working Together With the Italian Army

Realization of this concept made rather slow headway, outpaced by various compromise designs which, however, are now losing credibility virtually everywhere. Credit is due the Italian Army's General Staff for having been the first in Europe to institute a thorough study of this entire problem domain, enabling the Agusta firm to provide the exact technological answer to the problem, and therefore the Italian Army to be the first to equip itself with a machine that fully responds to the need for a lightweight attack helicopter.

As has been mentioned, the study began in 1972, the year in which the U. S. Army released the military specifications for its new attack helicopter. From the very start, an interactive link was set up between the study being conducted by the military and the one that had been instituted by our biggest national industrial firm in the sector, Agusta, on its own initiative. The two activities converged in a joint program in which analysis of operational needs, as established by the one, proceeded hand-in-hand with analysis of the technical solutions that would satisfy them, as provided by the other. This program called for experiments to be conducted with two of the five A-109's ordered by the Army for operational tests under antitank warfare conditions using the TOW missile system, the most widely used system of its kind for that specific purpose.

The first idea was to develop a helicopter that would use integrally the dynamic portion of the A-109--engines, main rotor, tail rotor, and transmission--but that would have a slim-bodied fuselage with cockpit in a tandem configuration, and doing away with the retractable undercarriage. Various designs were worked out based on this idea, first with a ski undercarriage, then with a nonretractable wheeled undercarriage. Meanwhile, exploratory talks were undertaken between general staffs on the one hand and industries on the other, as to the possibility of a joint venture at the European level.

During this phase, discussions took place on the possibility of integration with a design introduced by the German firm MBB; and by 1975 a tentative

joint program had been worked out, to which the designation A-MBB 115 was assigned. By then, the second, or definitional, phase was under way, and while Italian thinking tended more and more decidedly towards innovative designs (a "dedicated" helicopter as member of a "family" of models intensively characterized by technological innovations under a comprehensive "system" concept encompassing platform and advanced onboard systems), the prevailing orientation in Germany was in the opposite direction.

The divergence of the two viewpoints compelled abandonment of this first attempt to "Europeanize" the Italian initiative, but the viewpoints sustained by the Italian Army and Agusta received a nod of endorsement shortly thereafter in the views expressed by FINABEL, urging coordination of equipment programs and possibly their interoperability, if not their standardization, within Western Europe.

First of all, FINABEL pointed out that the various needs as regards helicopters for the ground forces in Europe could be met by replacing the many types of machines in service at the time with several versions of three basic types of new-generation machines, divided into that same number of dimensional classes. This view was clearly suggestive of the concept of "families," among which the one dedicated to direct support on the battlefield would be characterized by lighter weight and smaller dimensions. Subsequent FINABEL deliberations refined the concept and outlined the basic criteria that must govern the design of the future combat helicopter. These criteria coincided exactly with the conclusions the Italian Army had arrived at in the meantime. It is worthy of note that also inherent in this concordance of operational philosophies and relative basic needs is the fact that the criteria on which the A-129 project was based respond not only to the specific Italian environmental requirements, which among themselves are widely varied, but also to those of the entire European scenario, which is so demanding and diversified as to represent a vast range of operational environments and conditions.

In short, the Italian Army had formulated the following basic requirements:

1. Flight-control platform, ordnance, and mission equipment systems to be specific to the task or tasks to be accomplished;

2. An overall survival capability under operational conditions in as heavily defended an environment as can be projected into the 1990's;

3. A daytime and nighttime operating capability in adverse weather conditions (including light icing conditions).

Additional requirements included: Operational capability with a minimum of technical and logistical support, and a high degree of reliability and in-service availability; inherent flexibility permitting rapid reconfiguration of the machine from its primary (antitank) role to other front-line tasks ("scout," escort, etc), even on the battlefield itself; a total

acquisition-plus-operational cost level commensurate with available funding. Furthermore, the basic type must be such as to permit deriving from it special-purpose versions for other tasks (all still related, however, to use on the battlefield), and principally the light transport version. And the design must embody an inherent potentiality for further development in accordance with the evolution of operational requirements.

This set of basic specifications--of primordial importance, and particularly difficult to satisfy, as they are--inherently provides the required level of survivability, the more so if the latter is deemed to result--as indeed it was intended to--from a balanced combining of flight qualities, performance objectives, structural criteria, choice of materials, and active and passive protective systems. On the other hand, it was solely on the basis of this concept--and by exploiting all the potentialities offered by new technologies and new systems to achieve a weapon system responsive to needs--that the desired result could have been realized without exceeding the prescribed limits as to weight and cost.

Choice of 'Dedicated' Helicopter Approach

A drastic reduction of vulnerability required a particularly diligent study of all areas involved--a study that led to original solutions dictated by a philosophy that was immediately made its own by FINABEL and that can be summarized in the form of these key points: a) avoid being discovered; b) if discovered, avoid being hit; c) if hit, be able to continue operating; and d) if forced to interrupt flight and make a "hard" landing, ameliorate the effects.

The operational concepts having been stated in these terms, the "dedicated" helicopter approach automatically became the choice, since no other solution would have enabled attainment of all the Italian Army's desiderata. Hence, an official decision in this sense was issued during the second half of 1977. All thought of transforming the A-109 having thus been discarded, Agusta proceeded to define the design of a totally different machine, and the Army General Staff reached its "decision to proceed" around the beginning of 1978. It is worthy of mention that the funding problem was resolved by a statement on the part of the Agusta Group that it was prepared to pick up a portion of the developmental cost tab, the remaining portion being covered by the "promotional law" for the Army (Law 327 of 16 June 1977).

The military requirements laid down by the Italian Army defined the typical mission as being the antitank attack and the area-target attack, with armament consisting of 8 TOW missiles in the first case, and rockets and/or dropped ordnance in the second. Maximum weight at liftoff must not exceed 3,800 kg, and performance objectives, under ISA+20°C conditions and with full military payload, included: a) a cruising speed of 250 km/hr; b) an ascent speed of 10 m/sec at sea level; c) a hovering capability at 2,000 meters in the absence of ground effects (3,280 meters in the presence of ground effects); d) a mission duration of 2-and-1/2 hours for the most exacting type

of antitank engagement; and e) all the foregoing combined with the highest possible level of maneuverability and agility, so as to be able to take fullest advantage of the masking possibilities of nap-of-the-earth flying tactics, carry out lightning-swift attacks, and immediately execute evasive maneuvers.

During this phase, the entire concept of the design, from structure to systems, was recast on new bases. As will be seen more clearly in the technical description of the A-129, a study was carried out on the basis of a structure centered around a very rugged tubular pyramid, fastened to a very robust main undercarriage and supporting the motors and transmission, so as to form an entity exhibiting the maximum possible qualities of solidity. The onboard systems presented the most innovative aspect of the entire program, it having been decided to adopt a multiprocessor-integrated system, an electronic bus widely known as the IMS [Integrated Multiplex System]. Separate research programs were instituted covering nighttime operations, the aiming of weapons, "on-condition" maintenance, and training, all coordinated, however, under the system-concept Agusta had adopted for the management of the entire program.

Preliminary design work was completed by the end of 1980, and by then the date of the first flight had been established: 15 September 1983. Detailed design work was completed on 30 November 1982. Ground tests proceeded rapidly--including those run using the specially-designed-and-built Dynamic System Test Bed. And exactly on the date that had been set so long ago, the first of the four prototypes started its flight tests. This attainment of its goal made the Agusta Group the first European industry to carry out an entirely new program in a particularly exacting sector, and Italy the first European nation to have realized an innovative weapons system for what is perhaps the most critical sector involved in the modernization of conventional forces. From that first flight onward, the A-129 continued to undergo painstaking refinements until the completion of all tests--with the TOW missile firing qualification test in September 1986--after which construction was begun on the initial production run of 15 of the 60 units ordered by the ALE [Army Light Aviation]. These will be delivered in 1987 (the entire order is to be filled in 2 years). Meanwhile, work is being completed on the configuration of the "Scout" version, which is to accompany the antitank type (appropriately named "Mangusta"), and which is being developed on the basis of requirements laid down at the beginning of 1979. In addition, work has now begun on the development of a tactical support version, with a fuselage capable of accommodating 8 to 10 soldiers. A full-scale mockup of this version was exhibited this year at the Farnborough International Air Show. Concurrently, detailed design work has continued on variants of the basic type, particularly the one for antiship use, the first models of which were exhibited at the 1985 Bourget Air Show, where the "Mangusta" made its first public appearance.

Indeed, the "family" concept is now translating into reality following the optimum test results obtained and the widespread interest aroused by the family "founder." There would be nothing unusual about this were it not that

this concept involves, for the first time, a "dedicated" helicopter, in effect refuting what has been until now the time-honored approach in the rotary-wing sector. In the case of the A-129, the point of departure is a system, each and every component of which--airframe, onboard installations, flight controls, and all operational and logistical aspects down to the "package" of simulators and procedures for the training of pilots and specialists--is designed to the specified operability and survivability objectives. And from this basic A-129, diversified versions are derived that retain in their entirety all the features related to those objectives.

This is the concept that now governs the American LHX program, though somewhat belatedly with respect to the Italian decisions, for a lightweight helicopter to be built in two configurations using a single matrix developed to conform to the battlefield scenario. The fact that the U. S. Army, whose experience in regard to attack helicopters is perhaps unique throughout the world, has ended up adopting the "Italian" philosophy in this sector confirms its validity. But there are others: The Soviet Union has abandoned the design used for the Mi-24 in its time, and is now equipping its forces with "dedicated" combat helicopters, such as the well-known ones bearing the NATO code names Havoc and Hokum, thus disavowing the European emulators of the "Soviet school."

Technological Solutions

Agusta based its design of the new helicopter on its "system" concept, and succeeded in applying this concept even to the Group's own internal job organization and management structure, with the result that the Group took an integrated approach with respect to the A-129 program, thus bringing to fruition a process that had already been initiated with a view to taking maximum possible advantage of the potential synergies among its Divisions and among its constituent firms. In particular, its various research labs, in particular, which had been expanded and increased in number, were organized so that all would be contributing to the technological innovations to be introduced into the A-129, and the Systems Division was called upon to furnish a substantial contribution to a weapon system 40 percent of which is systems-intensive and 60 percent platform-related.

For the technical management of the program, a matrix structure--that is, one with branching via horizontal lines, and specific responsibilities for planning and product lines--was adopted. It was thus possible to channel highly diversified technical expertises into the overall design in an orderly and efficient manner, and even to coordinate this activity with those that were already in progress under other programs being developed by the Group, in the fixed-wing sector as well. This type of organization was introduced gradually, with the aid of personnel-training incentives (including periods of residency with other helicopter-sector firms in Europe and the United States, enabling Agusta's personnel to verify at first hand the validity of Agusta's planned solutions as compared to those adopted by others), designed to promote professional advancement, and raise the qualitative and quantitative levels of efficiency of the entire technical management staff.

Concurrently, a developmental-production service was formed to coordinate and speed up the construction of developmental models, the objective being to produce them not according to the usual methods for constructing prototypes, but rather at the level of pre-production-line machines, thus enabling the Group's production sector to gain immediate hands-on experience with the methodologies to be used in the production-line stage.

This was the first time an approach such as this had been used in Italy for a helicopter program--an approach that resulted in the A-129 being absolutely the world's first helicopter to have been developed as a totally integrated unit inclusive of airframe and onboard systems. In this respect, the A-129 is even more advanced than the farthest-out contemporary American programs, both because its avionics is that of a more advanced generation and because the "family" concept was incorporated into its design from the very start: Many experts in the sector are of the opinion, for example, that had this concept been adopted at the time of the American AAH bidding competition, the AH-64A "Apache" today would have a "sister" product by the same firm for logistical support on the battlefield, instead of having to be accompanied by a significantly different machine, the Sikorsky UH-60A "Black Hawk," the winner of the UTTAS competition for a transport helicopter.

For the A-129, the objective to be attained was an operational capability and a survival capability comparable to those of the AH-64A, but with drastically reduced size and weight--a qualitative quantum leap requiring advanced and original solutions. Actually, the Italian helicopter weighs around half as much as the American antitank helicopter and is very much smaller. It is decidedly less bulky than the "Cobra," weighing around 15 percent less than the latter, but carries the same armament and exhibits far higher levels of performance, fighting, and survival capabilities.

The specifications that generated the program required the solution of new and complex problems, approached from the viewpoint of a system-based program and of a search for an optimal cost/effectiveness ratio.

'Design to Cost'

The production cost of the A-129 is less than that of both the most recent current-generation machines of similar class and the first machines of a new generation; but above all, its operating cost is around half that of the most recent current-generation machines of similar class. This result stems from the design philosophy adopted at the inception of the program--that is, when the idea of a specialized Italian helicopter for direct battlefield intervention was first submitted to the Agusta Group's Value Analysis Division, which studies analytically (and comparatively with respect to world production) all design ideas and their initial concrete formulations, examining each and every line item of the design budget: weights, required hours of maintenance, costs of materials, etc. This lengthy and meticulous preliminary work makes it possible to proceed with the actual design phase per se on the basis of realistic elementary criteria, exercising a rigid contol of costs, and

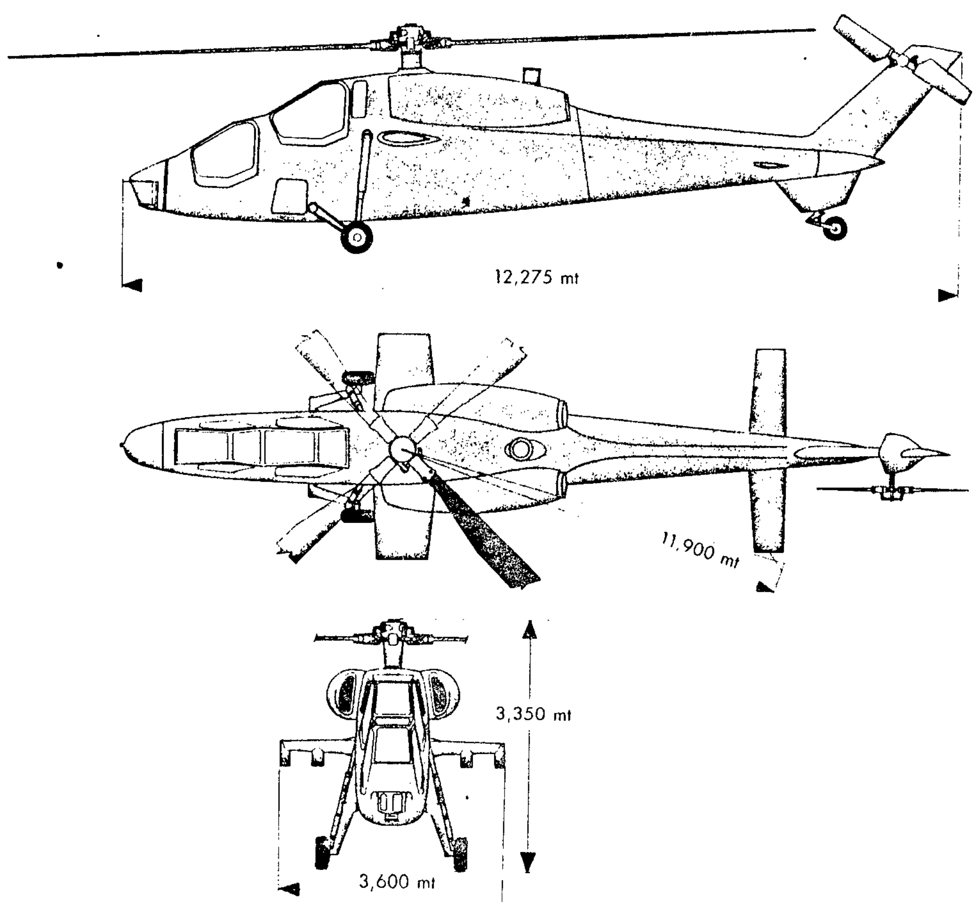
eliminating potential wastage. For example, if applied from the outset, this "design to cost" philosophy can yield a weight-reduction gain of around 10 percent.

In the case of the Mangusta, a weight-reduction gain of 6-7 percent was added to the above through the use of composite materials for around 16 percent of its total construction. As was done in regard to weight, which in itself is a factor that directly influences costs, the other elements of the machine were also optimized in relation to the mission to be accomplished. The result was the best possible cost/effectiveness ratio and the lowest absolute cost for a machine in its category. And this holds true for the machine's entire operational life, if--as in the case of the A-129--the preliminary study is governed by the further constraints of a "design to life-cycle cost" philosophy.

The specifications laid down by the Italian Army--specifications on the basis of which the design was defined--were those of a machine intended to respond to the severest of demands placed upon it. At the same time, however, they were realistic in the importance they assigned to certain parameters, so as not to compel tradeoffs of vital points in exchange for abstractly restrictive demands in less determinative areas. For example, the Army requested an operational hovering capability over high mountains at a high temperature (ISA+20°C), whereas in regard to the shock resistance factor (survivability in cases of potentially nonlethal accidents) it approved a somewhat lower percentile value than the 95 percentile required in the United States. A 90-percentile objective was set as being entirely satisfactory. This satisfied numerous other potential users in NATO as well, and significantly reduced the penalties that would otherwise have resulted from an even if only slightly higher percentile. Further regarding shock resistance, it should be pointed out that the A-129 has a very robust primary load-bearing structure of the A-type at its center section, extending from the underside of the fuselage to the boss of the rotor, and constituting its structural core. The landing undercarriage can withstand vertical impacts at speeds exceeding 10 m/sec. Moreover, the machine is equipped with crash-resistant seats which reduce the impact from 50 G to 20 G, and with "preset-breakaway" components (for example, the entire tailcone detaches itself upon impact with the ground). Emergency evacuation is made possible at both sides, by means of an explosive cord which "cuts out" the side panes of the cockpit and gunnery compartments.

As for shock resistance on impact with the terrain, the helicopter meets the severe MIL 1290 standards. Additional safety factors include the ruggedness of the rotor blades (whose steel leading-edges can cut through tree trunks with diameters of 8 inches and 4 inches respectively), and the provision made for installing a cable cutter.

Also worthy of mention are the protection provided for the flight controls and swash plate--which are completely enclosed within the main rotor shaft and thus protected also from dust and collision with birds--and the positive pressurization of the manned compartments so as to be able to operate in a chemically and bacteriologically contaminated environment.



Three views of the A-129.

To this shock resistant capability and passive protection (enhanced by devices for reducing the emission of hot gases, with 75 percent of the air taken in by the motors being used to cool the exhaust nozzles) is added the protection provided for the crew in the form of armor-platings that enable the helicopter to withstand 12.7--mm caliber gunfire. Design objectives called for the main rotor blades to be able to resist gunfire of caliber up to 23 mm, and the most recent tests have confirmed that this objective was indeed attained. The inherent characteristics of the composite materials and elastomers used, with their very low velocity of crack propagation, lengthen the operability of dynamic components that have been hit by enemy reaction. The Mangusta has specifically designed survival features, such as the duplication of all its vital systems, their physical separation, reduced vulnerable areas, etc, besides specially-designed sensors to warn the crew of the presence of the enemy and reduce the latter's operational capability.

The design of the dynamic system has been governed primarily by the criteria of functional reliability, protection, simplicity of installation, and ease of maintenance. In all of these areas, the results obtained have decidedly exceeded the levels demonstrated by any other combat helicopter, owing to the rationale with which the problem was approached from the outset of the design work.

Protection of the Motors

Two motors--each in a fireproof pod, and suitably distanced from each other so that if one is hit by enemy fire the other will remain intact--power the rotors via a transmission system imbedded in the pyramid-shaped main load-bearing structure, around which the fuselage structure is built. Equally protected are the two fuel tanks, which are connected to the motors via independent circuits (with the flow continually "monitored" by the onboard computer, which is capable of intervening immediately in the event of damage by enemy fire). The tanks themselves are self-sealing and shock-resistant.

All components of the dynamic system are modular and the accessories are installed directly around the main transmission, by [or from] the particular annular design and with the main rotor control servo-actuators housed inside it [this passage as published]. The various subassemblies thus grouped together include the two independent hydraulic systems, the transmission oil cooling system, the electric alternator, and the air-conditioning system compressor.

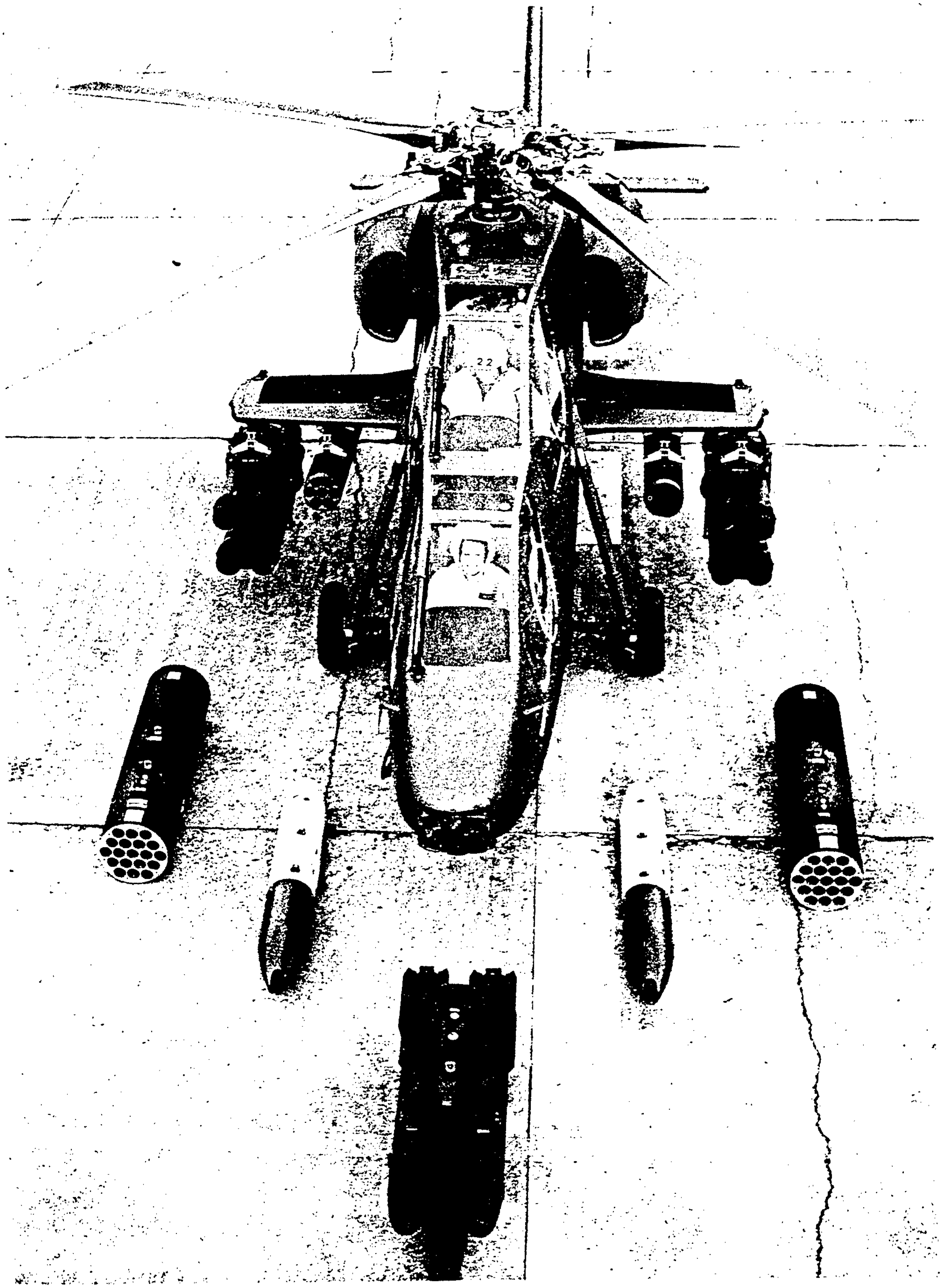
The connection between the motors and the main transmission has been designed to facilitate to the maximum the replacement of each of the motors; in fact, the solution adopted for the A-129 was to eliminate the motor reducer, leaving to the transmission alone the rpm-reducing function. This also facilitates the adoption of different motors from those selected for the standard version, in that only the "input" need be redesigned. Needless to say, the possibility of adapting different motors is an extremely attractive feature from the standpoint of sales to clients who might have reasons to prefer a

different power plant from the one offered, or who might wish to take advantage of the availability of new-generation motors in a modernizing or upgrading program.

Particularly interesting is the tail-rotor-transmission drive shaft, which is self-centering, so that in case of damage it can continue operating for a prolonged period of time, and does not require realignment with the transmission in the event it is replaced.

The A-129 is powered by Rolls Royce 1004 turboshaft engines, produced in Italy (by Piaggio) under license, each of which develops a maximum continuous power output of 825 shp [shaft horsepower]. Each can deliver up to 1,018 shp for 20 seconds, and intermediate powers--still at sea level--of 944 shp for 2-and-1/2 minutes, and 881 shp for a period of 1 hour. The 1004 engine was adopted concurrently with the crystallization of the project. Initially, when transformation of the A-109 into an attack helicopter was still being considered, plans called for using the entire dynamic system of that machine (thus including its Allison 250 C20 engine) intact. Consideration was next given to using Lycoming engines. And now, different engines could be installed on request. But the maturity attained by the 1004, an engine specifically developed for military uses, provides a reliability factor worthy of serious consideration, although other options remain available to satisfy specific requests. Such requests would in all cases be easy to satisfy, owing to the above-cited separation between engines and reducers.

The boss of the main rotor includes a number of technological innovations. In particular: Among the numerous patents filed by Agusta for this program is the one filed in 1982 relative to the articulation of the blades via a single elastomer "ballistic-tolerance" bearing, a system that had been tested on an A-109. Each blade is linked to the boss by a single elastomer element that permits movement in three axes (flapping, pitch and lead-lag), thus eliminating the need for a sizable number of mechanical parts while retaining the advantages of the articulated rotor--one of them being a low level of vibration--and reducing the overall complexity of the system and the need for maintenance (which can be done "on condition"). As noted, the rotor controls pass through the interior of the drive shaft; this protects them and masks their "signature," which otherwise is among the most detectable by Doppler radar. A high degree of offset (over 6 percent) enables attainment of a responsiveness to controls, hence a maneuverability, that today are unequalled. In addition, the ability to sustain high load factors (+3.5 G and -0.5 G) permits the effecting of maneuvers that only yesterday were considered to be out of the question for a helicopter. All of this translates into greater survivability. As regards armament, with its installed TOW antitank missile system (its primary mission), its improved 81-mm rockets (national production by SNIA-BPD), and its 70-mm rockets, the A-129 fully meets the Italian Army's specifications.



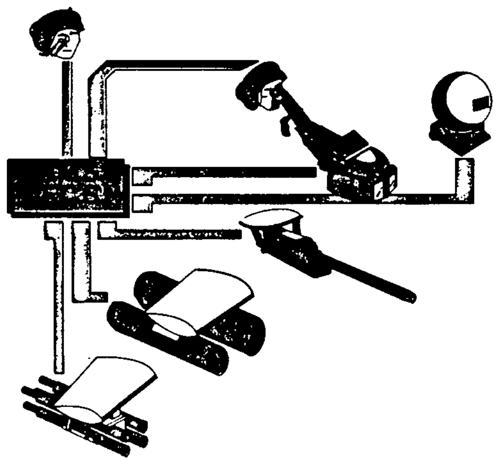
To transport this armament, the A-129 is fitted with two half-wings attached to it at four points in all. A fifth point of attachment can be provided under the helicopter's snout for the installation of a 12.7-mm turret gun for self-defense.

Besides the aforementioned systems, the A-129 is inherently capable of accepting the installation of other systems such as HOT or Hellfire antitank missiles, air-to-air missiles, cannons in pods, etc.

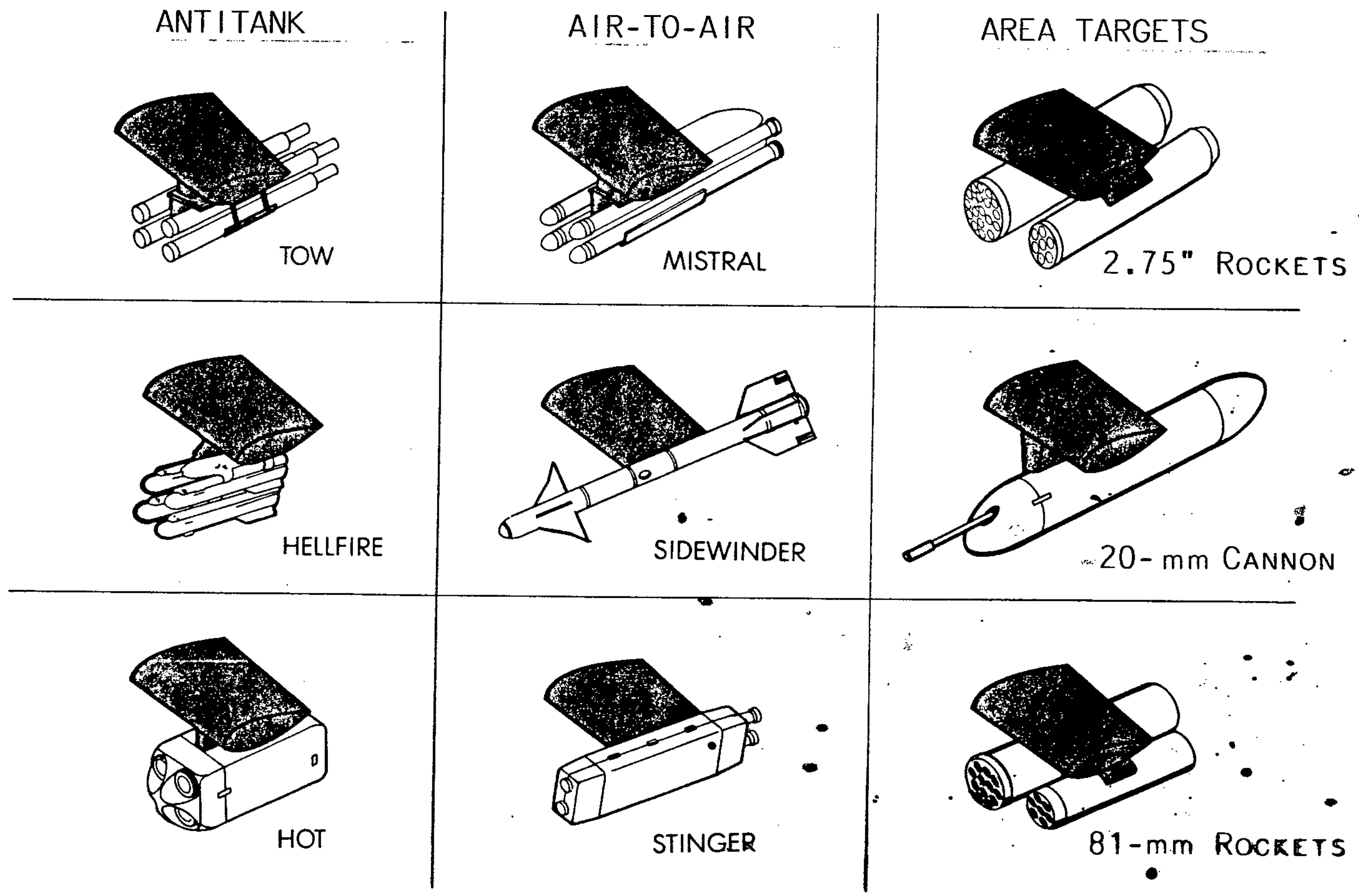
Avionics

The core of the A-129 weapons system is the IMS [Integrated Multiplexing System], the multiplex system that integrates in a paired set of bus cablings all the links between sensors and instrument board (so that if one of the buses is hit, the other can take over its functions), via two computers. This system furnishes to the pilot and the systems operator all information needed for the conduct of the mission, as well as all the flight parameters, including the data provided by the BITE--the automatic malfunction pinpointing system--which also stores in the computer memory all values that fail to attain the preset levels needed to trigger an alarm but that can subsequently help provide the exact status of all the onboard systems and thus assist the maintenance personnel. The IMS permits a substantial simplification of the data displays on the instrument board, thus reducing the crew's workload and enabling it to concentrate more on visual surveillance and on the tactical aspects of the mission. Instruments and dashboard displays are also provided as backups, of course, but perhaps mainly for their psychological value. Also provided for is use of a night vision system for the pilot (HIRNS [Helicopter Infrared Night System]) and the IHADSS [Integrated Helmet and Display Sight System], the integrated subsystem for superimposing the display of data in the viewer of the helmet. Use of this system enables flight even in total-darkness and low-visibility conditions. The special pilot's helmet can display in its "monocle" either all the helicopter's fundamental flight parameters (attitude, altitude, compass course, speed, etc), or the image from without as provided by the infrared sensor (HIRNS), or the data concerning the helicopter's armament, and in this case it functions as a full-fledged HUD [Head-Up Display].

The technological level of standardization of the onboard systems is state-of-the-art, involving microprocessors and multilayer printed circuits. Integration of display of the data, and their electronic processing, are indispensable in a modern instrument of warfare which looks to advanced technology for simplification of its operation and maintenance, conceding nothing to ultra-sophistication for its own sake but forgoing nothing that is really useful, with an eye to the future as well. For example, provision is made for using the inside of the rotor drive shaft (free diameter of over 10 cm) to install, upon request, a "periscope" with viewer and collimator above the mast (MMS [Mast-Mounted Sight]), particularly for the "Scout" configuration. As noted above, the IMS is the central characteristic of the A-129's avionics. It is based on multiplexing technology and microprocessors, using a bus



Block diagram of weapon systems integration.


ANTITANK
AIR-TO-AIR
AREA TARGETS
TOW
MISTRAL
2.75" ROCKETS
HELLFIRE
SIDEWINDER
20-mm CANNON
HOT
STINGER
81-mm ROCKETS

Weapons.

that conforms to MIL 1553B standards. Its redundant and centralized processing structure permits an efficient exchange of information among the aircraft's basic subsystems, mission-specific equipment, and crew, integrating them all into a maximum-efficiency system.

This is absolutely the first time a system as complete as this has been used in a helicopter, specifically designed, as it is, to: a) maximize the probability of success of its mission; b) guarantee adequate safety margins in the event of malfunctions or damage caused by enemy reaction; c) maximize availability of the airframe by reducing its ground time for maintenance; d) reduce the physical penalization--that is, in terms of weight and size--imposed by the installation of its avionics complex; e) interface all onboard systems with its own training systems (flight, mission, and maintenance simulators); and f) reduce its costs and improve overall flexibility so as to facilitate subsequent addition of mission-specific equipment to be integrated into the system. Design considerations required an information-processing linkage among subsystems via the most secure and reliable system possible. Requirements as to reconfiguration, performance/weight ratio, and maximized reliability, all dictated a digital technology.

The A-129's avionics is structured around the use of two identical computers, each operating on the same data and each capable of self-diagnosis. These computers are linked by the bus (redundant) to remote terminals which collect the data from the subsystems. The computers concentrate the data on the bus, process and redistribute them.

The interface thus obtained between the complex and the two pilot compartments consists of two elements: A multifunction display which is actually an interactive video terminal, and a multifunction keyboard.

Physically, the IMS consists of four black boxes (two master units containing the processors and two remote units), two multifunction screens, and two keyboards. The system is designed to perform a number of functions: a) control and management of communications; b) navigation (including basic stabilization and the higher-level stabilization "modes" provided by the SCAS [Stability and Control Augmentation System] coupled with the navigation system sensors); c) flight-director functions for operational use on an as-required basis (such as carrying out of the programmed flight plan; optimization of the flight parameters during the attack; acquisition and holding of stationary flight over a fixed point; holding of altitude, horizontal speed and vertical stability; and integration with the flight controls so as to enable fly-by-wire control); d) weapons control; e) monitoring of flight performance; f) signaling of malfunctions; g) generation of symbols; h) interfacing with the operator; i) self-diagnosis (and diagnosis of the mission-specific equipment linked via the IMS); j) management and monitoring of the power plant system and fuel system; k) distribution of electric power; and l) management and monitoring of the transmission and hydraulic systems.

Redundancy and the technology used--a technology rooted in basic experimental work that was tried and proven on the U. S. space shuttles, and developed by Harris, which collaborated with Agusta on the design of the A-129's IMS--provide a greatly reduced critical malfunction rate: One every 2,488 missions of 3 hours duration each, hence 1 every 7,464 hours of flight.

Integrated Logistic Support

Until recently, the support system was being called upon to react to stimuli stemming from unforeseen events (malfunctions, increased availability of the fleet, assignment of new operating personnel, etc), whose impact on the system had therefore not been priorly analyzed. Hence, the logistic services and capabilities necessary to deal with the event were made dependent on the modes and time periods in which these were called for. Often, a given service, called for at different times, hence arrived at by way of different methodologies, would differ according to the time and be highly unreliable inasmuch as the same service could relate to different parts of the system (training, technical documentation, materials) whose requirements were uncoordinated if not highly contradictory with each other.

Moreover, the weapon system was being designed as two separate elements, namely, airframe and mission systems, each of which had to be optimized solely from the standpoint of its own technical and operational performance. What we got, therefore, was weapon systems with shining performance capabilities, that were highly unreliable and even more highly unmaintainable, resulting in a low rate of fleet availability, a profusion of logistical services and capabilities, and thus a high overall cost for low overall effectiveness.

The adoption of a systemic design, on the other hand, approached in terms of the ILS [Integrated Logistic Support] system, permitted the timely pinpointing of critical areas and imposed the timely taking of corrective action, either by way of design modifications to eliminate the criticalness, or by preplanning the necessary capabilities and services to correct the negative event at exactly the time of occurrence of that event. Mreover, the preplanning of capabilities and services, properly coordinated and rationalized even though these might be called for during different periods of time, was rendered automatic by the prior-analysis approach [referred to earlier herein].

This was the approach adopted by Agusta for the A-129, and thereafter for the other programs in which Agusta is involved. The aim of this approach is to ensure that appropriate logistic resources will be available where and when needed to attain the availability-rate objective for the fleet.

To achieve this aim, the system must:

1. Direct the design of the aircraft towards attainment of a high rate of operational availability while keeping to the minimum possible the calling up of available logistic resources;

2. Ensure the timely projection of needs in terms of infrastructure, ground-based support facilities, spare equipment and components, technical information, and training, to enable the satisfying of those needs prior to deployment of the fleet;

3. Plan, implement and test the logistic services and capabilities to ensure their being available prior to the period of deployment of the fleet;

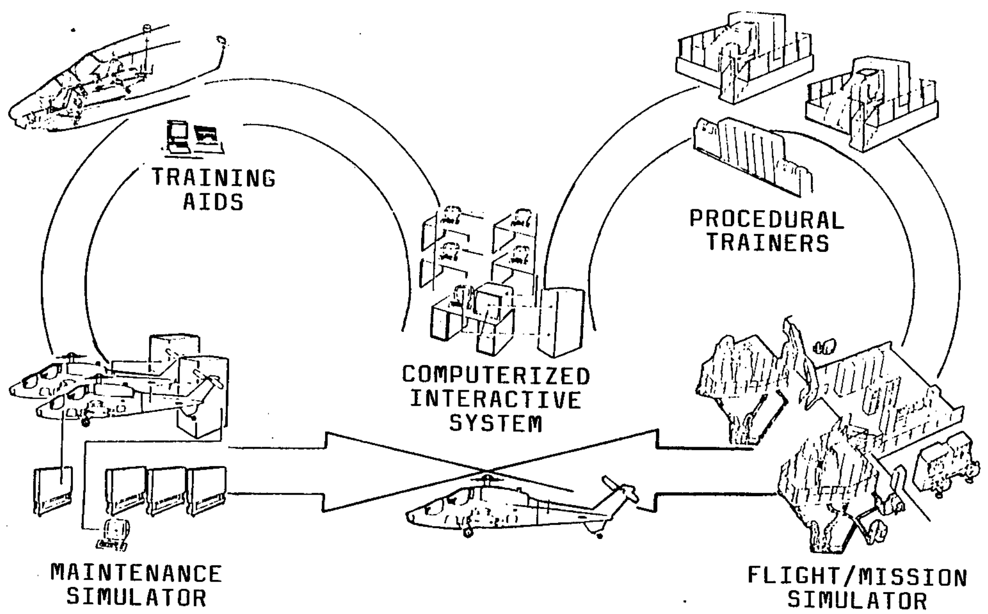
4. Assist the operators during the period of deployment of the fleet, in the transfer to them of the necessary logistical and operational know-how;

5. Ensure availability of the required services and capabilities throughout the entire operational life of the fleet.

The ILS system consists of: Management (program planning, control and administration); analysis of the operational and logistical aspects of the required support; resupply of materials; packing, handling and shipping of materials; technical documentation; training; support equipment for training (simulators, interactive computerized trainers, procedural trainers, training aids); ground-based support equipment; technical support at the supply depot level; maintenance of the onboard and ground-based software; a computerized information processing system.

To define and then to implement the ILS concept, a close-knit integration had to be achieved between industry and the Defense Administration (with its ministerial entities as well as directly with the operational entities of the Army), it having been recognized that only in this way would it be possible to optimize the capabilities and services that must be made available to support the operational capability of the fleet (cost/effectiveness gains).

In the industrial sector, those technical and commercial initiatives were implemented that were found necessary to achieve integration among the industries that produce the aircraft, its engine, and its mission system (each industry, in turn, provided the coordination with its own subcontractors). At the same time, to achieve the required integration with the Defense Administration and the operational units of the Army, a Coordinating Committee was formed, made up of military and industry personnel, and given the task of implementing the operation of the ILS system (start-up of the new system and its introduction into the Italian Army system already in use among the entities within the ALE [Army Light Aviation]). To carry out its functions, the Coordinating Committee availed itself of the collaboration provided by specialists in industry and the Army. These were organized into Working Groups and assigned to the study and definition of the particular and specific problems to be addressed. For the international programs, it is planned to include foreign personnel, from the countries interested in the program, in the mixed military and civilian organizational structure. Such inclusions are to be implemented in accordance with requirements to be stipulated in agreements reached at Government level by way of memorandums of understanding.



Integrated training system for A-129.

New-Generation Simulators

As has been seen, the ILS concept includes also the training and conditioning of technicians and pilots, using a number of means ranging from technical literature (manuals, etc) to audiovisual aids and simulators.

Complete integration in this sector is possible only if the firm that produces the helicopter also develops and operates the training complex related to that helicopter. In keeping with this view, Agusta decided 4 years ago to enter the field simulators--commencing with the ones related to its own line of helicopters--with the specific aim of acquiring an advanced and forward-looking technology as well as securing the national user against having once again to seek abroad, and lay out very considerable sums, for these facilities. By qualifying in this field, Agusta would also provide the national user with an "in-house" maintenance capability. And still another important factor: National projects of particular interest to the Defense Ministry (such as the A-129) would not run the risk of being divulged abroad, virtually ensuring their being compromised to the advantage of competiting projects.

Thus, the goal set for itself by the Aerospace Systems Division was that of acquiring a concrete knowledge of simulation, making use of the very considerable engineering and systems talent available within Agusta, and bearing in mind the absence in Italy of any qualified and significantly competent firms in this field. Interpreting the training and industrial requirements needing to be addressed, Agusta found it necessary to introduce into the national scene a significant competence on its part in regard to simulation technologies that would position it, abroad as well, as an Italian industrial interlocutor, recognized by our governmental authorities, capable of developing the entire "package" consisting of the aircraft and its training systems, qualified to correctly identify the needs of the client, whether Italian or foreign, and a participant principally in the simulator subsystems integration phase.

From a strictly economic standpoint, and realizing the size of the investments demanded by an activity such as this, Agusta set out to achieve the lowest possible ratio of cost to effectiveness in its acquisition of the necessary know-how. With this in mind, the Aerospace Systems Division selects, on a case-by-case basis for each specific simulation program to be undertaken, partners to build the necessary hardware, to Agusta specifications, reserving to itself the development of the software, which is the core of simulation systems (and in particular that of the critical ones). There can be no doubt, in fact, that a helicopter's design data comprise the very basis for its simulation; just as there can be no doubt that the most important (and most costly) part of simulation is the building of a software that, when integrated with the hardware of the motion system, the display system, and the instrumentation and onboard equipment systems, will enable the reproduction of all the effects a pilot experiences in a real machine during flight and mission.

In substance, Agusta intends to position itself in the market as a supplier that guarantees the reliability of its training product line, based on its specific experience in the field of aeronautical construction, and that therefore represents a minimal technical and technological risk for its clients.

The activities described above were preceded by a long period of study which enabled the Aerospace Systems Division, through one of the operations companies that head it--namely, Agusta Sistemi S.p.A., which was founded officially in 1984 and provided with a new, modernized premises and facilities at Tradate, and which operates exclusively in the engineering field--to develop a training philosophy that encompasses the entire training continuum that technicians and pilots must undergo, and to create an integrated training system of an innovative type, which, by way of a base consisting of the computerized interactive systems, and common to both types of training, smooths the way for gradual specialization of the personnel of the two branches--a system that progresses through the use of innovative training aids for the technicians and of procedural trainers for the pilots, to and through the most sophisticated maintenance simulators for the former and the most sophisticated flight and mission simulators for the latter.

With similar prior periods of study, and viewing simulation as a technological area of utmost importance, Agusta directed its initiative in particular towards the training of its own technicians for the development of the A-129 training systems and flight and combat simulator; the latter is now offered, without fear of being contested, as the most advanced of attack-helicopter simulators. Thus, entrusting to Agusta the task of heading the A-129 system's flight and combat simulator development program actually guarantees protection of military and industrial secrecy, since the helicopter design and flight data used in the simulation program (and in the development of all the other training systems) remain in the same industrial ambit and consequently under the control of our national governmental authorities. Moreover, only thus can the configuration of the simulation systems, which must in all respects faithfully reflect the real machines, be adequately controlled.

A-129 'Family'

From the very outset, effective with the Italian Army's issuing of its operational specifications, planned uses of the A-129, in addition to its primary one as an antitank weapon, called for a capability for carrying out armed reconnaissance (scout) missions, and an effective self-defense capability against enemy aircraft. The dynamic system to be used in the A-129 attack helicopter must also be used in a machine to be built around it that could be paired with the attack version to provide logistic support for the latter on the battlefield. The "Scout" version was the first to be defined in detail, a task that was facilitated by having made the necessary provision from the very outset for the installation of its principal characterizing element--the "periscope" above the rotor boss to enable observation from concealed positions. For all intents and purposes, this version can now be considered completely defined, and could therefore be made available rapidly.

Meanwhile, increasing importance was being given to the requirement relative to air-to-air combat capability, mainly from the standpoint of action against enemy helicopters, to begin with; then, from that of an active self-defense capability against fixed-wing aircraft, which in very-low-level attack operations find themselves at a serious disadvantage in combat against rotary-wing aircraft featuring a high degree of agility. For this function, the Scout version--armed with, among other weapons, a traversable turret gun to complement its bomb and rocket armament on tactical support missions--is considered the most suitable response, requiring only limited modifications that can be carried out on the battlefield itself--as specified in the military requirements--to reconfigure the helicopter between one mission and the next. What is involved, in substance, is merely the substitution of air-to-air missiles for its ground-target attack weapons, and a changeover of the "mode" plugged into the aiming system.

Based on the studies for these versions, an antiship version was also developed. Its primary mission is the delivery of antiship weapons fire, but of course its use can be extended to amphibious landing support operations and to the protection of naval units and landing forces against attacks by low-flying aircraft, principally helicopters.

More extensive modifications concern the tactical logistics support version, which is characterized by a completely different fuselage. This version is also in its final detailed-design phase, and near enough to completion for its full-sized mockup to have been exhibited at the 1986 Farnborough Aerospace Show.

Scout Version

This version is designed to accompany the antitank version, with the triple mission of: a) exploring the battlefield (and designating the targets for the Mangusta); b) protecting the action of the antitank helicopters by attacking lightly-defended enemy emplacements; and c) participating in tactical action by way of direct intervention against various targets other than armored forces. To best carry out the first of these functions, its essential element, by means of which the A-129 Scout can observe without being spotted, is the MMS, the "explorer head" over the rotor, containing sensors of various types including a telecamera and FLIR [Forward-Looking Infrared] system, to which a collimator can also be added in the future for missiles and other weapons. Its armament includes a heavy machine-gun, with a wide field of fire, turret-mounted underneath its snout. It is particularly suited for air-to-air combat and will be tested in one of the A-129 prototypes. The other weapons are infrared guided air-to-air missiles, the preference being for those used by the infantry for ground-to-air defense at very low levels (such as the Stinger, the Javelin and the Mistral, any of which can be launched by one man, who carries it on his back); but outright air-to-air missiles such as the Sidewinder can also be used. And then there are the weapons in the A-129 antitank version which are alternatives to the guided missiles--namely, the 2.75-inch and 81-mm rockets--and the pods for the 20-mm cannon.

Anti-Surface-Vessels Version

Special care has been taken to protect the A-129 ASV [Anti Surface Vessels] version's systems and its mechanical components against salinity. Other than this, the principal modifications with respect to the basic model are limited to those relative to the primary weapon system (antiship missiles) and to the target acquisition and navigation-and-attack system.

The missiles presently planned for the A-129 ASV are the Italian "Marte Mk 2" and the British "Sea Skua," but the use of other types of "sea skimmer" missiles of similar dimensions can be provided for. The first of the foregoing, produced by OTO Melara, is a medium-range (over 20 km) missile with a 70-kg warhead of the HE semipenetration-and-fragmentation type. The second is produced by British Aerospace. The A-129 ASV can carry 4 of the latter versus 2 of the Marte Mk 2. This helicopter can also function as a relay for over-the-horizon targeting [OTHT] of long-range ship-to-ship missiles, such as the Italian "Teseo," launched by naval units,.

The A-129 ASV uses a search radar that enables it to explore a vast sea area (over 8,000 nautical square miles) on each mission, and to launch its missiles while remaining at a substantial distance from enemy defenses. The naval attack helicopter featuring these capabilities can also provide a very valid alternative to the light coast-guard patrol vessel, and is in any case more effective than the latter against missile-launching torpedo boats. The A-129 can also be used on landing-troop support missions, in which case its armament can be that of the A-129 Scout, including the turret-mounted traversable machine-gun and air-to-air missiles.

In its antiship configuration, the A-129 ASV has an operational empty weight of 2,680 kg and a takeoff weight of 3,920 kg (inclusive of 580 kg of missiles and 660 kg of fuel), and can execute missions of 3 hours duration at a search speed of 120 knots.

Support Version

This version of the A-129 has been given the Anglo-Saxon designation of LBS [Light Battlefield Support], while the Italian designation is ESC (Elicottero di supporto al combattimento [Combat Support Helicopter]). It is designed to operate in conjunction with the antitank and Scout versions in the same operational environment characterized by dense enemy reaction, and like the latter two versions exhibits a survival capability that is superior to that of any other existing helicopter in its class. Its particular characteristic is its new type of fuselage designed to provide a payload bay capable of accommodating 8-10 soldiers completely equipped, or an equivalent payload. In this new configuration, the crewstill two persons--occupies a cabin with side-by-side seats. The need to keep the payload bay free of obstructions required modification of the structural load-bearing pyramid, inside of which the power plant is contained in the basic version, positioning it entirely above the fuselage. Every design precaution has been taken, however, to

ensure that this modification in no way reduces the machine's robustness and low vulnerability, and that the landing gear attachments of new design are every bit as robust as the standard one. All the other innovations that characterize the A-129, including its avionics, are also retained, except, of course, for the elements specific to the antitank and scout functions. Also retained, for its own defense and to enable it to assist in the suppression of enemy fire during helicopter-borne troop-landing operations, is the traversable heavy machine-gun mounted under the snout.

The A-129 ESC has as its primary function the transport of: Antitank and anti-aircraft commando teams or assault squads, or reinforcement troops. It can also be used for evacuation of the wounded (6 stretcher-cases and 2 paramedics), to transport voluminous loads (of up to 1,400 kg) suspended from its barycentric hook, or to retrieve personnel in the battle area or behind enemy lines, using a rescue winch. This large-capacity helicopter can also be used as a mobile command post, or for daytime and nighttime tactical operations. The A-129 LBH is of interest not only to ground forces but also to navies and air forces.

'Tonal' Europeanizing the A-129

The Italian decision to institute a program aimed at developing a new-generation helicopter for "ground-based combat" met with immediate interest on the part of many countries--mainly but not exclusively within NATO--in the Agusta helicopter, which was to be the embodiment of the program. Of course, before this interest could be translated into concrete action, it was necessary to have at least arrived at the stage of flight tests, which would confirm the technical validity of the program and the concreteness of the initiative, even though the latter had already been demonstrated by the Italian Army's stated intent to equip itself with the new weapon system.

Meanwhile, in European environs, the outlines of a parallel initiative--the Franco-German one predicated on developing a program that could satisfy the needs of their respective Armies--were beginning to take shape. And the commitments undertaken in this regard by the two Governments prevented the solidification of plurinational action based on the A-129, even though unifying action was being advocated by NATO and by those European agencies interested in the standardization of armaments. This situation had a paralyzing effect on all prospects for industrial agreements and a damping effect on the possibilities of direct sales of the A-129.

With the passage of time, however, the gap widened between a program that was moving forward with perfect regularity--namely, the Italian program--and an initiative that was finding it impossible to get off the ground despite repeated efforts at the political level to forge a joint Franco-German undertaking--namely, the PAH-2/HAC program, which in fact is even now still in the paper stage. This caused various General Staffs to reflect on the inadvisability of losing any more time in coming to decisions that were becoming

increasingly urgent in view of the increased threat that must be addressed. As a result, the interest of some NATO countries in the A-129 has begun to crystallize. In particular, the Italian helicopter is undergoing evaluation in Belgium and the Netherlands. Significant in this regard was the presence of high-ranking representatives of the Dutch Defense Ministry at the most recent cycle of A-129 firing tests in Sardinia. Switzerland and Austria have also expressed interest in the program. Concrete interest in the Italian helicopter is also being shown outside of Europe, particularly in Australia--where negotiations are under way with a view to possible joint production of the ESC version--but also in Brazil, Argentina, and South Korea; while in China and even in the United States keen interest is being shown in the A-129 technologies. Meanwhile, other initiatives were progressing in regard to joint action on a European level on future programs; and within these terms of reference its technology made the A-129 a logical candidate as the basis of any joint program that might be undertaken in the combat helicopter sector. Initially, it was Great Britain that showed the greatest interest in a program of this type, given the A-129's total responsiveness to the needs of its Army as well as to those of the Italian Army.

This provided a common base for drawing up the specifications of a new-generation machine, both because of the excellent cooperation that had been developed between the two countries in the meantime on the EH-101 program (based on combined Italian and British naval specifications, and today the object of an agreement between the two Governments for the civil aviation version as well), and because of the cooperation that existed between their respective industries: Agusta and Westland.

In 1985, the Netherlands and Spain--the latter having only recently entered NATO and the European Economic Community--decided that the future programs of their ground forces must be based on an advanced helicopter with preliminary specifications to be assimilable with those expressed in Italy and Great Britain. Thus, a memorandum of understanding was signed as the basis for the start of a study to develop a quadri-national solution.

At the 1986 Farnborough Show, an agreement was signed among the interested industries--Agusta, Westland, Fokker, CASA--and an announcement made of a new company to be formed to manage the program, modeled on the EHI [European Helicopter Industries], which had been formed by Agusta and Westland for the EH-101. For the first time ever, a pluri-national firm of this kind is based in Italy, underscoring the Italian genesis of the initiative. Furthermore, this is the first time that an Italian helicopter has been made the basis of an international project.

In October 1986, a second memorandum of understanding was signed giving the National Armaments Directorates of Italy, Great Britain, the Netherlands and Spain the green light to proceed with the program-feasibility study phase. Meanwhile, the participation quotas of the four companies had been agreed, assigning 38 percent each to Agusta and Westland, 19 percent to Fokker, and 5 percent to CASA. The project had also been given a name: "Tonal"--the

Aztec god of war. And the date had been set by which the new helicopter is to be operational: 1995. This puts at around 1988-89 the maximum date by which the design specifications, including the technological innovations it is expected to embody, must be frozen, so as to preclude timeframe slippages such as occur in all cases in which technical advances are pursued at whatever cost while losing sight of the very real constraints imposed by a clearly defined timeframe.

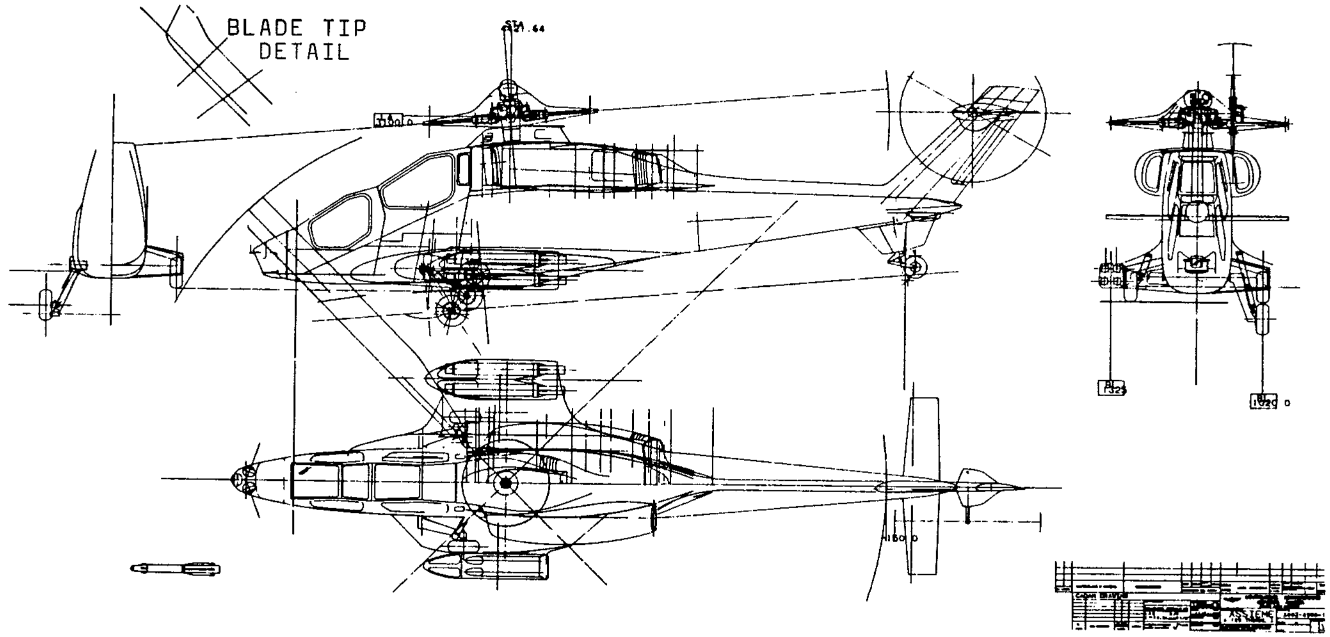
The qualitative leap upward that characterizes Tonal as compared with the A-129 is essentially in its systems, while its aerodynamics and structure will be the present ones although with some refinements. Actually, the A-129 uses, to the outer limits of justifiability, the most advanced technologies available today, thus ensuring that it will remain a very valid system for many years to come, whereas the Tonal will feature the application of technologies that are still experimental as of now or still in the conceptual definition stage, provided, of course, these technologies have attained a convincing maturity by the time the definitive configuration must be frozen.

The technologies involved will not modify the "dedicated helicopter" concept, even though it may be possible to achieve a real multi-role design enabling the antitank, scout, and air-to-air combat functions to be combined in a single machine. The road to unification of these three combat roles is being explored as an optimal solution, without, however, ruling out the "ad hoc" versions approach should unification prove to be a serious impediment to completion of the program within the established timeframe.

Thus, of course, the feasibility study is exploring all possible approaches, including power-plant solutions--among them, the single-engine solution, which has many adherents in Great Britain--and considering in any case the availability of an engine like the RTM 322 developed by Rolls-Royce (jointly with the French firm Turbomeca), which can be viewed as an alternative to engines of similar power--over 2,000 hp--such as the American General Electric's T700. It is worthy of note that Italian industry is present in both these programs. The Piaggio firm forms part of the group that produces the RTM 322, whereas Fiat Aviation and Alfa Romeo Avio are associated with General Electric in the development of new versions of the T700, the engine that was adopted for the prototype of the EH-101.

In the dual-engine configuration the engine of reference is the T800, the engine designed for the U. S. Army's multi-role light helicopter of the future under its LHX program. Not to be excluded, however, is the adoption of a European engine of the same class (around 1,300 hp) currently under development by Rolls-Royce and Turbomeca.

In the feasibility study, consideration has also been given to the approach of assigning to one man the dual functions of pilot and systems operator. Thus, the configurations being examined in this regard are four: A 2-man crew with dual engines, a 1-man crew with dual engines, a 1-man crew with dual



A-129 Tonal.

engines [as published], and a 1-man crew with a single engine. The 1-man crew idea is the one being pursued in the United States under the LHX program and for the "combat aeromobile" which the American Army intends to develop exclusively for aerial combat over the ground-based battlefield. Militating against a solution as radical as this, however, are a number of factors, ranging from considerations of a psychological order to the very serious technological difficulties involved in attaining ultra-advanced levels of integration among all onboard systems, within acceptable timeframes and costs--as brought out by the ARTI [Advanced Rotor craft Technology Integration] program. The onboard systems will be of an extremely advanced type and will certainly include total application of fly-by-wire, or even fly-by-light, technologies--without excluding some possible applications of voice commands--to the flight controls. As for vision systems, a forward stride will be made in the form of the new-generation system which provides a stereoscopic vision field in the viewer incorporated in the pilot's and system operator's helmets, instead of the one limited to a square, as in the IHADSS now used in the A-129. The Agusta Group is also studying a semi-retractable MMS, which would enable mounting also the aiming system above the rotor without penalizing the helicopter's aerodynamics while engaged in missions not involving defilade behind natural masks.

Armament is another sector of innovation: By the time the new helicopter has reached the testing stage, the "Trigat" missile system (explicitly mentioned in the Agreement, and currently under development by British Aerospace, Aerospatiale and MBB, with Italy absent at least for now) should have attained maturity. It is of the fire-and-forget type, which allows the delivery vehicle to disengage immediately upon launching its missile. This third-generation system has a range of around 8 km and promises to yield an accuracy far exceeding that of the current TOW and Hellfire.

The basic architecture of the Tonal will still be that of the A-129, but advantage will be taken of the opportunity to incorporate several improvements--principally as regards "cleaner" aerodynamics--aimed at achieving a significant increase in speed, the need for which is imposed by the importance now being attached to its air-to-air combat role. The preliminary specifications laid down by the four General Staffs, in fact, stipulate a high speed of not less than 160 knots. To satisfy this requirement, the most drastic design changes will involve the landing gear. It will be made retractable, or at least semi-shrouded inside two large fairings of excellent aerodynamic-penetration shape. These will replace the present A-129 half-wings for application of the external armament.

All protrusions will be "filed down" and the motor-and-main-rotor complex will be refined, with the dual aim of a) improving the aerodynamics and b) not increasing the measurable imperfections in the optical, radar and infrared sensors with the increase in power of the engine or engines. The rotor hub will be enclosed in a fairing, the air intakes and exhausts will be of a very compact design, and the loop between rudder and countertorque rotor will be "softened." Emerging from the preliminary drawings, which are the

product of the current ongoing work of refinement (being done by Agusta in the underground bunker at Gallarate where the CAD/CAM systems of its Research and Computer Center are concentrated) is the outline of what is to be the European helicopter of the years 2000: Powerful, fearsome, but not devoid of elegance.

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BITTER DEBATE OVER 5-YEAR DEFENSE PLAN EMBROILS RIKSDAG

Crosses Traditional Political Blocs

Stockholm DAGENS NYHETER in Swedish 2 Jun 87 p 12

[Article by Ake Ekdahl]

[Text] The agreement between the Social Democrats and the Liberal Party on defense for the next 5 years triggered a magnificent war of words across bloc boundaries as well as within the nonsocialist bloc when Parliament set about reaching a decision on Monday.

The Conservatives and the Center Party felt they had been tricked, and they sharply criticized the way in which the agreement had come about. The actual disagreements are concerned basically with about 1 billion kronor in appropriation amounts and with changes in various military weapon systems.

Everone claimed to deplore the lack of unity. Complete unity would have sent an important signal to the rest of the world concerning Sweden's determination to defend the country, it was said. But on the day in question, partisan bickering was more rife than usual.

Scolding

Conservative Party leader Carl Bildt scolded the Liberal Party and, to some extent, the government. Center Party leader Olof Johansson placed the entire responsibility on the government.

The Liberal Party felt it had gained a hearing for its own policy. The Social Democrats showed great satisfaction both with the agreement and with the internal squabbling among the nonsocialists.

"I understand the irritation in the nonsocialist camp over the fact that we managed to split--I mean, that the Liberal Party showed independence," said committee chairman Olle Goransson (Social Democrat) in a slip of the tongue.

"The Liberal Party was able to go along with the agreement mainly because in the end, the government showed great sensitivity toward the Liberal Party's

policy," said Hans Lindblad (Liberal Party), and he mentioned antisubmarine defense and the JAS aircraft.

"We gained a hearing for all our demands concerning total defense," party colleague Kerstin Ekman chimed in.

But when she described how the Liberal Party and party chairman Bengt Westerberg had fought to get a broad-based agreement, taken the initiative, sought contact, and genuinely tried to put together a joint nonsocialist offer, the Conservative leader lost his patience. Both he and the Center Party leader had previously accused Westerberg of conniving with the prime minister.

"Ekman's malicious polemics do not promote nonsocialist cooperation; her description of events is incorrect, and if the Liberal Party wants to carry on the debate like that, I am prepared to present a full report on how those contacts between the party leaders went," said Bildt.

But he preferred to forget what had happened.

Cheapest

Both Bildt and Johansson concluded that the government was looking for the ally which would make the fewest demands and with which it could reach the cheapest agreement. The result was flimsy defense and no broad political support.

Johansson testified to Parliament that there had been complete telephone silence on the part of both the prime minister and Westerberg during the negotiations. There was no honest desire for broad agreements, he claimed, and he put the responsibility for that fact on the government.

But Minister of Defense Roine Carlsson noted that there was broad agreement on security policy. He regretted that agreement on total defense was not as broad as he had hoped. The other parties had locked themselves into their positions, and the government had to consider the national economy as a whole.

"But from a larger perspective and internationally, the political differences are small. Now we will keep the defense debate alive, but in such a way as to create the impression that the differences between the parties are bigger than they actually are. The disagreements are concerned only with a few percentage points or tenths of a percentage point," said the minister of defense.

No Desire

Roine Carlsson pointed out in his defense that the defense talks had gone on for months and that the Social Democrats had sought broad agreement but had not detected any desire on the part of the other two parties.

"If Olof Johansson thinks he is being a statesman by not participating in talks, then I can understand his disillusionment. I also understand why Carl

Bildt is being 'squeamish' if he did not have the influence he expected. But that kind of influence requires more skill," said Carlsson.

Bildt retorted: "If the differences were as small as Carlsson says they were, why was no honest effort ever made to overcome them?"

"And the Center Party took a middle position, so why was it rejected?" was Johansson's answer to the charge that the Center Party had locked itself in to its position in the talks.

Air Raid Siren Salute

While the battle surged over who had followed whom on the defense issue and the monthly test signals from the air raid warning sirens on the Parliament Building saluted, the minister of defense also said that Sweden was facing some painful future adjustments in its Armed Forces. Unconventional solutions will be required in the 1992 and 1997 defense decisions. Carl Bildt predicted that the current defense decision would force a "mini-defense decision" with cutbacks primarily in the Army's peacetime and wartime organizations.

That will be the subject of an internal defense report to be submitted by the OB [supreme commander of the Armed Forces] before 1989. The country will then be faced with three choices: increase defense funds, reduce the quality of its Armed Forces, or make cutbacks in the peacetime and wartime organizations.

The VPK [Left Party-Communists] stayed out of the debate this time. Oswald Soderqvist felt it was senseless to argue about a few aircraft squadrons going here or there and submarines in this place or that place if Sweden cannot mobilize any better resistance in the event of war than that which has now been decided on by Parliament.

Or by the "pact parties," which was the Conservative Party leader's epithet throughout the debate for the Social Democratic-Liberal Party majority behind that defense decision--which could have meant a lasting reversal of the trend if only he had been allowed to participate in the decisionmaking process.

Additional 6.8 Billion Kronor

During the next 5-year period, the military defense organization will get 6.8 billion kronor more than it received under the appropriations now coming to an end. The agreement between the Social Democrats and Liberals will provide the military defense organization with nearly 125 billion kronor at February 1986 prices. That comes to 24.5 billion kronor in the next fiscal year.

The total defense organization will get more helicopter companies, mainly for transporting the sick. There will be more antiaircraft missile battalions with long-range missiles and all-weather capability. Two new submarines will bring the total to 14 in the 1990's. There will be more shore missile batteries and the possibility of enlarging the Air Force with more JAS aircraft in the 1990's.

The expansion of antisubmarine defense will be speeded up. The radar-guided air-to-air missiles on Viggen fighter planes will be improved. More money is being allocated to Armed Forces training and to modernization of the Army. The next generation of warships will be speeded up. Intelligence gathering will be expanded. The Viggen attack plane will be provided with better armament. The Swedish antiship missile 15 will be procured for four shore missile units.

The cost will be met by raising the gasoline tax by 10 ore per liter and the oil tax by 20 kronor per cubic meter effective 1 July. In addition, petroleum stockpiles will be reduced, and there will be economy measures in the civil defense organization.

Paper Comments on Debate, Outlook

Stockholm DAGENS NYHETER in Swedish 2 Jun 87 p 2

[Editorial: "On the Eve of the Next Defense Decision"]

[Text] The big fuss over the 1987 defense decision came in January, when many people were surprised by the agreement between the Social Democrats and the Liberal Party. By yesterday, when the time came for Parliament to make its decision, feelings had had time to cool down considerably. Conservatives and members of the Center Party repeated their criticism from last winter, but Carl Bildt at least said that he did not want a repetition of last winter's bickering over which of the nonsocialist party leaders had said what and when.

What the defense decision does in practice is to give priority to the Air Force and the Navy--the two branches of the service which have criticized last winter's agreement most sharply. But even though heightened expectations have not been satisfied and they can continue to talk about needs that have not been met, the Army is still the weak point in yesterday's decision.

But the fact that a necessary modernization of the Army had to be postponed was not so much the fault of the politicians as it was that of the military themselves. During the preparatory work leading up to the defense decision, Army Headquarters was not willing to provide the necessary data on which to base a decision. And since the Army had also exceeded its budgeted cost ceilings by a good margin, major surgery proved necessary.

What this means in practice is that the entire process leading up to the defense decision has had to start again. At the government's request, newly appointed OB Bengt Gustafsson has set in motion what he calls the Armed Forces Investigating Committee 88, which is to prepare the data for a parliamentary decision 2 years from now. The cycle of 5-year defense decisions has therefore been broken once again: the 1989 "minidecision" may well be as important as yesterday's decision.

A new approach to the structure of the Army seems to be finally on the way. In fact, the OB is talking about a new organization of the Army with more emphasis on quality, partly at the expense of quantity. This has to do with

such things as establishing different conscription periods so that units responsible for missions requiring less skill will serve for shorter periods. It also involves a staggering of the "turnover times" that determine how long after basic training a conscript will be considered fit for duty. A modernized Army would be based on fewer brigades than the current wartime organization. On the other hand, those brigades would be better equipped and better adapted to their missions.

The scope of that "minidecision" may be enlarged. Although what looks like being the major equipment issue of the 1990's--procurement of a new tank--will not be finally settled until the 1992 defense decision is made, organizational changes will influence the assumptions underlying that decision. The OB has already expressed a clear preference for the West German Leopard 2 tank. Other observers say that further development of Sweden's Combat Vehicle 90 would be sufficient. If the defense politicians hang tough in the political conflicts surrounding this year's defense decision, they are liable to be caught napping.

The tank issue will be only the beginning. Several systems in the Armed Forces are going to be ripe for replacement in the 1990's--and that includes most of the Navy's surface ships. As far as the Air Force is concerned, it has already been decided, of course, that the JAS Gripen will gradually begin replacing the Viggen during the same decade, although the eventual number of aircraft must still be considered an open question. There is still room in the Army for rationalization measures that will not necessarily impair its ability to do its job. On the other hand, it is more difficult to see any such possibilities in the Navy and Air Force, which have already been slimmed down on several occasions. One can argue about whether there should be four or six coastal corvettes or whether 12 fighter squadrons would be more effective than 11, but there is hardly any additional margin.

The choice is between a drop in quality, a reduction in quantity, and a massive increase in funds, said Under Secretary Per Borg some time back in a debate before the Armed Forces Management Association. He himself advocated another increase in the defense budget in 1992--but it is not clear whether that opinion is shared by other Social Democrats. But even if Borg--or Carl Bildt, for that matter--gets his wish, there is not likely to be enough money.

One possibility for combining quality and quantity is represented by the thinking behind the JAS aircraft, which, of course, combines the previously separate functions of combat, attack, and reconnaissance in one and the same aircraft ["JAS" is the acronym for "fighter, attack, and reconnaissance"]. The Navy has now been instructed to develop a "JAS ship" that would also be capable of a number of different roles. But can one also imagine a "JAS tank" for the Army? The best thing, of course, would be for the lack of money to become the mother of invention.

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NAVY CHIEF ORDERS TRAINING CUT DUE TO 'AWKWARD' CASH DEFICIT

Refresher Training Canceled

Stockholm DAGENS NYHETER in Swedish 5 Jun 87 p 6

[Article by Anders Ohman]

[Text] Navy Commander in Chief Bengt Schuback has ordered cancellation of most of this fall's exercises for naval wartime units because of a 60-million-krona deficit that has turned up. Chiefly affected by the decision are about 5,000 conscripts, most of whom have already been notified to report for refresher training.

The Navy commander in chief is now apologizing by letter for the inconvenience caused by the canceled exercises. Many of the conscripts have already applied for a leave of absence to participate in the exercise. Now the process will have to be repeated at a later date.

The Navy Staff says that inadequate compensation for price increases is the main reason for the 60-million-krona shortfall. The Navy's budget totals about 2.1 billion kronor.

"This is very awkward, and it harms our credibility. Unfortunately, it has become necessary for refresher training to play the role of budget regulator when an acute financial crisis like this arises," says Commander Anders Timdahl, head of the Navy Staff's Information Section.

The Navy's fiscal year ends on 30 June, and the deficit of 60 million kronor turned up during a recent analysis of budget results. The situation looked more favorable just a few months ago, and the Navy's area recruiting offices were instructed at the start of the year to call up the approximately 5,000 conscripts for this fall's refresher training.

Bigger Problem

The Navy's sudden financial crisis, which is occurring just as Parliament is reaching its decision on the Armed Forces for the next 5 years, is identical to the Army's financial problems. The Army was short about 600 million

kronor, and Army Headquarters also said that lack of compensation for price increases was the main reason for its budget deficit.

DAGENS NYHETER asked the Navy Staff whether its financial officers could not have foreseen this sudden deficit, which is now causing great inconvenience for the approximately 5,000 conscripts, sooner.

Training

"Your question is justified. Navy finances are handled by military personnel who have learned to operate boats and shoot guns. Perhaps the time has come to select personnel to take care of financial planning and give them advanced training. In the difficult personnel situation we are experiencing at present, we must use personnel as effectively as possible. Unfortunately, what that often means is that an individual must be transferred after he has spent several years learning his job," says Anders Timdahl.

Two big fall exercises are being affected by the Navy's cash deficit. One is a total defense exercise in Upper Norrland and the northern part of the Gulf of Bothnia, and the other was scheduled for Karlskrona.

Commodore Bertil Daggfeldt, acting commander of the Lower Norrland Military Command Staff, is responsible for the big fall exercise this September. Plans called for that exercise to be carried out jointly by the Air Force, Army, Navy, and civilian defense authorities.

This fall's "Middle Sweden" exercise is to have a low profile as far as the threat picture and war scenario forming its backdrop are concerned, the idea being that there is less fighting on the frontier but that Norrland has not yet been invaded by an aggressor.

Armed Forces Commander Critical

Stockholm DAGENS NYHETER in Swedish 6 Jun 87 p 13

[Article by Anders Ohman]

[Text] OB [Supreme Commander of the Armed Forces] Bengt Gustafsson will comment next week on the decision by the Navy commander in chief, Vice Admiral Bengt Schuback, to cancel most of this fall's wartime unit exercises. The decision means that about 5,000 conscripts will have to postpone their refresher training.

The Navy has a cash deficit of about 60 million kronor.

The decision by the Navy commander in chief to cancel the refresher exercises is viewed by the Ministry of Defense as an act exceeding his authority. The existing rules say that it is the government which must decide to cancel refresher training--and that such a decision must first be considered by the OB.

Jan Tuninger, staff editor for the Defense Staff, says: "The OB is opposed in principle to the idea of using refresher training as a budget regulator."

Two naval exercises this fall--one in the northern part of the Gulf of Bothnia and the other off Karlskrona--are affected by the Navy commander in chief's decision. Plans call for the Armed Forces "Middle Sweden" exercise to take place in September with participation by all branches of the service. Now that the Navy is pulling out, the Air Force will be unable to practice reconnaissance and attacks on naval targets, among other things.

Border Fighting

The Coastal Fleet's mission was to guard maritime shipping along the Norrland coast in a simulated wartime situation with extensive border fighting.

Captain Bertil Daggfeldt, acting commander of the Military Command in Ostersund, is disappointed that the refresher exercises have been canceled. The overall defense capability of the Armed Forces will be reduced as a result, and naval defense of the Norrland coast will be further weakened. Bertil Daggfeldt told DAGENS NYHETER that he was surprised that such a cash deficit could arise.

"It should have been foreseeable. There must be a flaw somewhere in the system," said Daggfeldt.

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SWEDEN MILITARY

INCREASE IN DEFENSE FUNDS SEEN ALREADY EATEN UP

Unforeseen Expenditures Responsible

Stockholm SVENSKA DAGBLADET in Swedish 31 May 87 p 3

[Article by Lars Christiansson]

[Text] The 6.2-billion-krona increase in defense appropriations for the 1987-1992 5-year period, which was agreed on by the Liberal Party and the government, has already been wiped out by unforeseen expenditures amounting to 1.5 billion kronor just as Parliament is preparing to confirm that decision.

The defense agreement between the government and the Liberal Party was described by both parties as reversing a trend. But it is extremely doubtful whether that description will continue to be valid on Monday, when the Social Democrats and Liberals in Parliament push through the 1987 defense decision that will take effect on 1 July this year. Judging from experience with previous defense decisions, the shortfall will be even greater than the one already being predicted before the 1987 decision is implemented.

Review of Decision

The Defense Staff's Planning Section is currently winding up what it calls its rollover between plans. This involves reviewing the defense decision in detail and converting its content into specific measures affecting materiel, training, and so on. This is the point at which Armed Forces planners must see to it that the political intentions expressed in the decision are carried out even though, strictly speaking, there is not enough money to do the job completely.

Some of the measures which, with the Liberal Party's support, the government is promising in its bill and describing as strengthening the Armed Forces are such that the planning sections of the Defense Staff and the service branches are being forced to defer them until sometime during the period covered by the next defense decision--that is, after 1992--in order to keep operations at the break-even point.

Higher Pay Costs

The defense decision says that during the period from 1987 to 1992, defense will cost a total of 124.8 billion kronor (at February 1986 prices). Of that amount, 6.2 billion kronor represent an increase over the previous budget.

But a review of the plans by the Defense Staff's Planning Council shows the following in round figures:

1. The latest pay agreement will cost the Armed Forces 600 million kronor more than the so-called SAV [National Collective Bargaining Office] index will compensate for.

2. The Armed Forces will have about 150 million kronor in additional costs during the 5-year period due to service-related injuries and similar incidents which the Armed Forces, in making its calculations for the defense decision, assumed would be taken care of outside the defense budget.

3. The Armed Forces must turn over 150 million kronor from the defense budget to a civilian project concerned with information technology.

4. Previous overplanning is going to swallow up 500 million kronor.

Rationalization Measures

Added to that is the requirement in the defense agreement that civilian personnel be cut back to a cost level of 200 million kronor and that the instructions in the agreement concerning an additional 600 million kronor in rationalization measures be implemented by postponing certain equipment projects, primarily in the Army.

The above was confirmed to SVENSKA DAGBLADET by Major General Ove Wiktorin, chief of the Defense Staff's Planning Council.

Actually, what that does is place the Armed Forces in the position of having to come up with 2.2 billion kronor somewhere in the budget. This will have to be done in a situation in which the finances of both the Army and the Navy are completely out of balance and in which personnel costs and direct operating costs have increased dramatically.

Forced To Reshuffle

To come up with the required money, the Armed Forces are being forced to reshuffle the only variable costs that exist. This means that some of the money earmarked for materiel procurement will have to be used for the immediate operation of the Armed Forces and that training periods for some units will have to be cut back and shortened. The main reason for this is that the training system and operation of the units are taking an increasing share of the funds.

According to information from the Defense Staff, planning work in both the Army and the Navy is characterized by "great confusion." According to current calculations by the Defense Staff, the financial strain is going to have the following consequences, among others.

Postponements

In the Army, a large number of equipment projects will be postponed. Among other things, this involves the purchase of such weapons as mines, shells, and ammunition. Certain cooperation projects with other countries in the field of war materiel will have to be dropped. Refresher training for some units will be further reduced. Further cutbacks will be made in the wartime organization. Planning for Combat Vehicle 90 will be further delayed, as will the purchase of STRIX antitank mortars.

Purchase of the 12 helicopters for transportation of the sick and other purposes--to which the Liberal Party in particular attached great importance--will also be postponed. Those helicopters will probably not be delivered until the next planning period--that is, after 1992.

The Army's acute situation is well illustrated by the fact that out of the 700 million kronor which the defense agreement assigned specifically to the Army for training during the 5-year period, from 400 million to 500 million kronor have already been eaten up by various price increases.

In the Navy, it is also primarily a matter of postponing equipment purchases. It is not completely clear which projects will be affected. But according to reports, expansion of the antisubmarine surveillance and warning system will not be affected.

It is obvious, however, that the financial framework as provided is not enough for simultaneously developing Submarine 90, extending the service life of the Sjoormen submarines, and organizing new units with heavy and light shore missiles. The question of shore missiles further complicates the picture, since in this case, the Navy is being forced to decide what it considers most urgent in the immediate future: the organization of light shore missile units or of heavy shore missile units (which were emphasized in the defense agreement). One of the missile systems will have to be postponed. The Navy has been making efforts to get its hands on part of the Coast Artillery's appropriation for heavy shore missiles.

Air Force Affected

The increase in Navy refresher training that was mentioned by the Navy commander in chief will probably also be postponed. As far as Navy planners are concerned, there is no longer any doubt that the current financial framework will make it impossible to carry out completely the reassignment and conversion of units that had been planned for the late 1990's.

The Air Force is also being affected. Expansion of the BAS-90 system will take place at a slower pace than planned. The same is true of the combat

information system. One effect of the last-mentioned delay will be that the important airborne radar system, which was to have been delivered to the Air Force around the end of 1991, will now be delayed until after 1992.

Of the 6.2 billion kronor in increased defense funds, 1.5 billion kronor were earmarked for rebuilding and modernizing air-to-air Missile-71 into a version known as 71-A. Here the planning uncertainties have increased since the defense agreement was stitched together before Christmas: for one thing, it has been realized that this solution will require the purchase of more air-to-air missiles than was initially thought, and for another, several technical and economic difficulties have become obvious. As a result, the Air Force and the Defense Materiel Administration have been forced to investigate other solutions that will guarantee the Air Force access to an effective air-to-air missile during the 1990's.

Military Investigation

It was against that background that OB [Supreme Commander of the Armed Forces] Bengt Gustafsson decided to set up the military investigating committee known as Armed Forces Investigating Committee 88 to report on the Armed Forces. The purpose of the committee is to make a complete examination of the Armed Forces and show the specific long-term and structural effects of the cutbacks in defense appropriations that have been going on since 1972. The committee will also recommend changes that must be made in the Armed Forces in the future to cope with both the economic framework and the operational missions decided on by the politicians.

Program Not Meeting Needs

Stockholm SVENSKA DAGBLADET in Swedish 2 Jun 87 p 2

[Editorial: "Swedish Disarmament"]

[Text] A tired parliamentary debate marked the end of the intense discussion about defense that has been going on for several years in the wake of the Soviet submarine intrusions. Only two party leaders bothered to participate when Parliament actually got down to deciding on the size of our Armed Forces during the what remains of this millenium. Those two--Carl Bildt and Olof Johansson--are, significantly enough, among the critics of the defense decision.

Nothing was heard from the architects responsible for the two-party agreement reached by the Liberal Party and the Social Democrats on 13 January. Bengt Westerberg was represented by Kerstin Ekman, whose remarks were noticeable mainly for the fact that she mentioned the Liberal Party 20 times and referred to the party leader 4 times. For his part, Prime Minister Ingvar Carlsson felt that the SSU [Social Democratic Youth of Sweden] congress, which was also going on, was a greater priority.

That absence must certainly not be interpreted as meaning that Bengt Westerberg or Ingvar Carlsson regrets the pact across the bloc boundary. What

it indicates instead is their lack of interest in the point at issue. Once the party tactical bit is taken care of and they have agreed on how much money they are willing to spend on our peace and freedom, it is up to the foot soldiers to handle the rest.

If the specific issue and the striking power of our Armed Forces had been in the foreground, the treaty makers would have had reason to air concern over the future. It is true, of course, that the two-party agreement has given our Armed Forces an appropriation increase in real terms for the first time in many years. But that increase is far from sufficient even for maintaining our Armed Forces at their current size in the long run.

Thanks to many years of neglect, the organization has shrunk, and modernization has been neglected. Important weapon systems are the result of investments made several decades ago. For example, the Army was supplied with its latest tank in 1971! When continuous modernization does not take place, the needs stack up. Great efforts would be needed to make up for the sins of omission that have occurred over the past few decades.

Those resources are not going to exist. This has already been acknowledged by Per Borg, chairman of the Commission on Defense, and Minister of Defense Roine Carlsson said the same thing during the debate in Parliament. It will not be possible to replace every tank, ship, or aircraft that goes out of service. New and unconventional ways must be sought, said the minister of defense.

Whether they will be very new is doubtful. What will happen is that we will continue, although at a somewhat slower pace, along the path we have followed for the past 20 years--that is, the period during which the Navy and Air Force were cut in half and the number of modern Army units was correspondingly reduced. Parliament's defense decision means that in the future, Swedish airspace will be protected by even fewer aircraft, that the coast will be guarded by a shrinking number of ships, and that the ground forces will be thinned out.

Sweden has chosen the path of freedom from alliances. The importance of military defense to the policy of neutrality and to our ability to stay out of conflicts or wars has been emphasized in proclamation after proclamation. "No statement in the world is going to help if Sweden cannot, at the same time, show that we are capable of taking specific action to defend our territory and the inviolability of our frontiers in both wartime and peacetime," said the Social Democratic Party Board before the last congress.

"If we manage to stay out of the initial conventional phase of a major war, that will also substantially reduce our risk of being exposed to nuclear weapons if the war escalates. Sufficiently strong and all-round total defense is a prerequisite if Sweden is to succeed in those efforts," wrote the Commission on Defense in its report on security policy.

The defense decision does not fulfill those objectives. It will mean a continuation of Swedish disarmament. In the future, our peace and freedom will be even more dependent on decisions made in the rest of the world as our own defense capability wanes. That is the true and disturbing meaning of the agreement between the Liberal Party and the Social Democrats that is now being transformed into a decision by Parliament.

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SAAB HOPEFUL ON EXPORT OPPORTUNITIES FOR JAS FIGHTER

Stockholm DAGENS NYHETER in Swedish 16 Jun 87 p 14

[Article by Lars Dahl]

[Text] Paris--Saab-Scania has received its first foreign inquiries concerning the new JAS-39 Gripen fighter plane. The inquiries are from Switzerland and Denmark, both of which, according to Saab-Scania, are going to replace their military aircraft in the 1990's.

That spontaneous foreign interest in the Gripen was announced at a press conference held by the management of Saab-Scania's Aircraft Division at the international air show in Paris on Monday.

Saab-Scania itself will begin marketing the JAS abroad once it definitely has the plane in the air, and that will be at the end of this year.

Normal Routine

"The inquiry from Switzerland in particular contains a request for full details on the Gripen," according to Harald Schroder, head of the Aircraft Division, and development manager Milton Mobarg. "It actually consists of a whole book of questions that we have to answer. Once all the questions are answered, a document like that should provide a good basis for a decision."

Saab-Scania says that such inquiries are quite normal for countries seeking something new. It says it knows that Switzerland is also interested in other aircraft types, including a couple from the United States and one from Spain.

It can also be mentioned that a new European fighter plane known as the European Fighter Aircraft (EFA) is being produced, the ambition being to come up with a common aircraft that everyone can agree on.

Already Flying

Two experimental planes--one French and one British--are already flying, but no economic or political decisions have been made, and all experts agree that such decisions will probably be a long time coming.

As far as production of the Gripen is concerned, Saab-Scania expects to be able to take care of possible foreign orders around 1994 or 1995--that is, after its chief customer, the Swedish Air Force, has received a number of its planes.

Saab-Scania hopes that the Aircraft Division will be able to announce on Tuesday that it has a new customer for its commercial aircraft, the SF-340.

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BRIEFS

FRG FIRM'S JAS ORDER--FFV [National Industries Corporation] Aerotech, a member of the FFV group, is going to produce bomb casings for the the new JAS-Gripen attack aircraft. The 10-million-krona order came from the West German arms manufacturer, Messerschmidt-Boelkow-Blohm, which will produce the prototypes for the JAS-Gripen's bomb weaponry. If this first order turns out well, there is a possibility that FFV Aerotech will receive more orders in the future. [Text] [Stockholm DAGENS NYHETER in Swedish 16 Jun 87 p 14] 11798

HELLFIRE MISSILES ORDERED--Rockwell International Corporation announced on Monday that Sweden has ordered Hellfire missile systems worth $65 million. This is the first time that Rockwell has received a foreign order for that type of weapon. The first delivery will consist of 700 of those antiship missiles for coastal defense, according to an announcement by Rockwell in connection with the air show now underway in Paris. Paul Smith, general manager and vice president of the Rockwell Missile Systems Division, said the order included launch systems, spare parts, and supporting equipment in addition to the missiles themselves. [Text] [Stockholm DAGENS NYHETER in Swedish 16 Jun 87 p 14] 11798

CSO: 3650/169

DOWNWARD TREND EXPECTED IN OIL CONSUMPTION

Duesseldorf HANDELSBLATT in German 20 May 87 p 23

[Article: "Petroleum Trade Association: No Shift in Trend in Sight. Demand Will Again Decrease by One-fifth by the Year 2000."]

[Text] Duesseldorf, 19 May 87--Even with the lower prices, the MWV [Petroleum Trade Association] expects a continuous decline in oil consumption over the next 15 years. According to a recent MWV prognosis, domestic petroleum demand may shrink from around 116 million tons in the previous year to some 94 million tons in the year 2000. Heating oil and gasoline will clearly lose, while diesel fuel could continue to gain for the time being.

The MWV does not see any reversal of petroleum consumption trends in last year's rise, influenced by low oil prices, in petroleum sales (up 6.2 percent from 1985). They are already counting on a decline in oil demand on the order of several million tons in the current year, if heating oil consumers reduce their above-average stocks. After a short-term stabilization in the level of sales, they expect that the trend towards declining oil consumption, which began in 1980, could pick up speed again. Petroleum will, however, remain the most important source of energy, even though its share in meeting energy needs will sink further, namely from 51 percent in 1979 to 43 percent last year and to around 34 percent in 2000. The MWV bases its prognosis on a international price for crude oil, which might move to a level of around $20 per barrel by the beginning of the nineties and which could begin to increase again slightly in real terms, i.e. correcting for inflation, by the middle of the next decade.

Essential determining factors for the longer-term decrease in consumption are the increasing use of efficient energy technologies in all areas of application and the continuing, albeit somewhat slower displacement of heating oil in a portion of the heating market. The MWV prognosis yields the following picture for the development of the most important petroleum products (see also the table [not included]):

The domestic demand for gasoline for engines will decline by almost one-fifth in the next 15 years. A decline of one-quarter in specific gasoline consumption is the reason for this. The proportion of lead-free

gasoline will climb from 11 percent (1987) to 87 percent (2000). A 13-percent growth in the domestic demand for diesel fuel is expected between 1986 and 2000, with diesel's share of petroleum sales increasing from 14 to 20 percent. Diesel fuel's advance is to be explained essentially by a doubling in the stock of diesel-powered passenger vehicles and by the rising capacity of freight traffic.

The MWV assumes that the displacement of light heating oil (HEL) from the heating market will continue. Compared with sales--admittedly relatively high because of an increase in stockpiles--of a good 40 million tons last year, a decline of 31 percent oo 28 million tons is predicted for 2000. The main cause of this is the decline in specific HEL use due to more efficient heating systems and improved thermal insulation. At the same time, the proportion of oil-heated residences will decline; this process, however, has slowed in face of the currently more favorable oil price expectations. HEL will remain the most important product in total petroleum sales (almost a 32 percent share in 2000 in comparison with 37 percent last year).

Heavy heating oil (HS) is still in retreat, according to MWV's estimates. between the first oil price crisis of 1973 and last year, sales volumes have declined by almost two-thirds. Still, with the drop in oil prices, heavy heating oil was able to attain an increase in sales last year for the first time this decade; the MWV nevertheless expects an accelerated displacement between now and 2000 (down 44.5 percent from 1986). Then, HS will still have barely a 7 percent share of sales, in comparison with 10 percent last year and 22 percent in 1973.

The demand for naphta (chiefly in the chemical industry) will decrease by 15 percent during the period under examination; in particular because the domestic capacities for production of primary chemicals will decline and the use of other petroleum products (e.g., gas oil) will increase. Petroleum remain, in any event, the most important basic raw material of the chemical industry.

When one compares this year's MEV oil prognosis with last year's forecast, it appears that the predicted trends remained essentially the same. Nevertheless, they are clearly estimating a slower rate for the displacement of oil. While domestic oil sales for 2000 were put at just 83 million tons last year, a good 88 million tons are currently expected. In particular, the sales potentials for light heating oil (up 3 million tons) and gasoline for engines (up 2 million tons) receive more favorable estimates in the current prognosis.

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GOVERNMENT AGENCY APPROVES PROJECTS IN USSR

Helsinki HELSINGIN SANOMAT in Finnish 23 May 87 p 23

[Text] Finland's Export Permit Bureau granted construction firms and goods exporters 55 million rubles or over 330 million markkas worth of permits to export to the USSR. The decision means that Finland's export of construction will now clearly exceed the minimum set by the trade agreement.

Of the 55 million rubles, construction's share is 40 million or approximately 275 million markkas. Permits were also issued for the shipment of goods valued at 15 million rubles. Surpassing of minimum levels will be largest in the construction services quota.

The recipients of the permits granted by the bureau were selected on the basis of the order of urgency list provided by the USSR. Construction projects include the Moscow Circus by Polar, a videorecording plant by Haka, the Shimyakin Biotechnical Institute by Terasbetoni, a membrane sheet factory by TM Engineering and Finnstroi, and a residential housing project YIT [General Construction Company] at Jamburg.

The Finnish companies involved had made their individual agreements with the USSR months ago and have been eagerly awaiting permits to get started on the projects. The total value of the projects is about one billion markkas but only a fourth of that can be attributed to the first year.

The head director of the Ministry of Commerce and Industry, Kalervo Hentila, says that the possibility of granting permits was enhanced by the sudden improvement in the amount of purchases of oil for resale. According to Hentila, binding contracts have been signed on the deals and buyers have been found for the oil.

Finnish trade negotiators hope that they can break up the logjam of applications for permits with the aid of oil re-exports or by other means. "There are still a lot of applications," says Hentila.

When the exchange of goods agreement was signed, the USSR emphasized Finnish construction exports. The USSR had clearly hoped for more construction projects than it is possible to grant.

The existing agreement reflects the USSR's objectives in that the upper limit of the construction quota is decidedly higher than the upper limits of the other quotas.

The construction export quota minimum is 135 and the maximum is 204 million rubles. According to current exchange rates, these values in markkas are 935 million and 1,410 million respectively.

The permit bureau had allowed construction exports to slightly exceed the minimum as they reached the level of 140.7 million rubles.

Now about 40 million rubles are to be added to that. Not all of that applies to the construction service quota, since Jamburg's housing project involves several quotas.

Positive Gestures in Both Directions

The decisions of the permit bureau are Finland's positive reaction to the USSR's recent sales of oil for resale. The bureau is an agency with representation from Finland's political-commercial officialdom, the Foreign Ministry, the Ministry of Commerce and Industry, and Bank of Finland.

The reason that Finland could make this gesture is that sales of oil via Finland to third countries have improved after starting sluggishly this year.

Now Finland's political-commercial leadership wants to send a message of good will to the USSR which, for its part, earlier increased the rate of oil shipments. Both parties apparently want to stress that the most important thing is to maintain the flow of goods and construction services over the border. The other alternative would be for Finland to be given Soviet oil for resale as partial compensation for accounts receivable that have accumulated.

Oil for resale is the most important way this year to balance the books on the trade between Finland and the USSR. Because of the plunge of oil prices last year, Finland's accounts receivable climbed to over 600 million rubles or about 4 billion markkas. Balancing the books is essential so that the account would not grow yet bigger this year.

300 million rubles have been transferred to a special account with interest which will be amortized in 1989-91. The remainder has been left in a clearing account. There is a problem with that account, however, in that the limit of 300 million markkas of interest free credit has been exceeded by more than 100 million markkas.

If trade between the two countries is to be conducted at the minimum level of the agreement, then the purchases of oil for resale at a crude oil price of $17.50 per barrel must reach a level of 3 million tons. If that were to happen, then all of the other agreed upon imports could also be carried through.

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COLUMNIST: RECONSIDER EC TIES IN LIGHT OF CHANGES BY USSR

Helsinki UUSI SUOMI in Finnish 28 Apr 87 p 7

[Commentary by Pekka Haarla]

[Text] The actions of the EEC are an everyday topic of conversation and discussion. Our press also writes about the coordination of EEC and EFTA activities almost daily.

A new dimension has been added to the discussions by the overtures between the SEV and EEC. The former has finally agreed to recognize the EEC's existence and now seeks communications with it.

The two parties met in mid-March in Geneva and intended to issue a joint communique on their negotiations. That, however, came to naught as the EEC wanted it noted in the minutes that, according to the Rome agreement, West Berlin is also a part of the EEC.

The SEV would not agree to this and the whole meeting was quickly scrapped. Even great issues can hinge on small details. But at least there was an agreement to continue negotiations at a later date.

The EEC and the SEV actually have a very unique bond in the two Germanies. West Germany, which as a matter of principle, never has wanted to recognize the partition of Germany, has granted the same duty privileges to East Germany as to its EEC partners. In this regard the EEC has a leak toward the SEV. As strange as it sounds, East Germany can be thought of as an nonvoting, auxiliary member of the EEC.

The USSR also now recognizes the EEC as an organization and as a trading partner. This trade has proved to be very profitable.

According to recent decisions the USSR has bought 280 million kilos of butter from EEC stockpiles at a price of 0.75 markkas per kilo. This proves that we are not the only ones with agricultural problems.

Within the EEC cooperation in new spheres is being intensified. According to a current proposal athletes going to the Seoul olympics would be presented as representatives of the organization rather than of their homelands. It is

clear that agreement on something like this could not be reached just like that but, according to reports, even the proud, self-assertive French support the proposal.

Among non-EEC countries Switzerland and Austria have announced that they will intensify their participation in the European Council in order to increase their say in matters. Finland is the only West European country which is not a member of the European Council.

According to opinions expressed here by outsiders, Finland has not joined because it fears the reaction of the USSR.

Taking note of Moscow's decisive actions in opening doors to the West, Finland had best make haste or it is possible the USSR will apply for membership in the European Council before we do.

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MOSCOW-ORIENTED CP ORGAN WARNS OF TRENDS IN USSR TRADE

Helsinki TIEDONANTAJA in Finnish 24 Apr 87 p 2

[Editorial: "The Condition of Trade Relations With the East Is Worrisome"]

[Text] News relating to our trade with the East are once again worrisome. Finnish exports to the USSR barely meet the minimum required by the agreement and the permit office is making it harder to obtain exporting permits. The main impediment, it is said, is the slow start that the purchases of oil for resale have had.

USSR's foreign trade officials have even put pressure on Neste Inc. to increase their efforts to speed up resales of oil. If Neste's oil purchases do not reach levels agreed upon in the exchange of goods agreement then neither can Finnish exports reach their corresponding level.

It needs to be remembered that Finnish exports to the USSR decreased already last year. In this year's exchange of goods agreement Finnish exports were cut even though the gross value of all goods to be exchanged is supposed to equal last year's level.

The situation proves that the alarm expressed by the communists about developments in Finnish-Soviet trade has been well founded. Future actions in this area must be more assertive than those of the past so that Finnish imports could increase in both quantity and diversity. The proposals of the Democratic Alternative that were presented last fall in its Address of People's Questions to Parliament and Government are timely yet today.

The restructuring of Soviet foreign trade makes it easier to intensify cooperation. So that progress in this trade relationship, which is vital to employment and the national economy, could be ensured Finnish officials and corporations should also be more flexible.

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SOVIET PROFESSOR KOROLYOV VIEWS PROBLEMS IN FINNISH TRADE

Helsinki TIEDONANTAJA in Finnish 3 Jun 87 p 8

[Article by Pertti Honkanen: "Soviet Researcher's View on Finland's Eastern Trade: Problems Are Not Result of Payment System"]

[Text] "The problems of Finnish and Soviet trade are not hiding in the payment system, but the problems are, above all, to be found in the structure of the trade, particularly the structure of Finland's imports.

This statement was made by Professor Ivan Korolyov, deputy director of IMEMO [The Order of the Red Banner of Labor Institute of World Economics and International Relations of the USSR Academy of Sciences]. Korolyov spoke in Lappeenranta at a seminar hosted by the economic science group of the Joint Finnish-Soviet Scientific Technical Commission.

Korolyov commented on the view presented at the seminar by Bank of Finland Researcher Vesa Korhonen, according to which the augmentation of the bilateral clearing-trade with freely convertible currencies should be discussed.

According to Korolyov, as neighboring countries the Soviet Union and Finland should give preference to each other in trade relations regardless of whatever payment system is used.

He also pointed out that a transition to freely convertible currencies would not necessarily resolve the problems of the trade imbalance. The Soviet Union's free-currency trade with France and England is currently showing a surplus, and these countries are demanding an increase in their exports to the Soviet Union in order to bring this trade into balance.

A large proportion of raw materials and energy is characteristic of all of the Soviet Union's exports. The proportion of fuels and energy in Soviet exports to Finland is, however, even greater than the share in total Soviet exports and also greater than the share in the Soviet Union's exports to Western countries. On the other hand, the proportion of machinery and equipment as well as ready-made consumer goods in Soviet imports from Finland is greater than the share in all of the Soviet Union's imports, noted the researcher.

Last year the situation became significantly worse from the Soviet point of view. Prices in exports to the capitalist and developing countries fell by an average of 40 percent primarily because of the drop in oil prices. Import prices also declined by approximately 15 percent. However, such a price reduction did not occur in imports from Finland.

Construction Cooperation on New Basis

Korolyov stated as a researcher that he only half joins in praising Finnish and Soviet project cooperation. Projects accomplished in the Soviet Union on the turn-key principle have been expensive and they do not tie in with the internal relations of the Soviet Union's areas of production.

The Soviet Union is one the last remaining countries ordering such overall consignments. The intent is to reduce the number of turn-key projects in the future and order more partial consignments. This may complicate the position of some large Finnish corporations, but will, on the other hand, open up new opportunities for smaller companies.

"We cannot be satisfied with development in production and technical cooperation either. Apparently, the major reason is on the Soviet side since development has been just as slow in relations with other capitalist countries."

Korolyov emphasized Soviet foreign trade reforms, whose purpose is to tie Soviet production more closely to foreign economic relations. The implementation of the reform is, however, only just beginning and many practical problems will be encountered in it. "I believe that we will continue to move forward with the chosen policy line."

Bank of Finland Researcher Vesa Korhonen painted a rather gloomy picture of prospects for the near future in Finnish and Soviet trade at the seminar using balance-of-payment and trade statistics. The surplus for Finland in payments at the present time is a total of 700 million rubles or nearly 5 billion markkas, of which 400 million rubles are in the clearing-account and 300 million rubles are in a special account. The credit limit of the clearing-account is 300 million rubles, which has now been exceeded by 100 million rubles.

If the clearing-account's balance is around or greater than 300 million rubles at the end of this year, Finland's exports to the Soviet Union will be "faced with a difficult adjustment phase", which in practice will mean a further reduction of exports.

10576
CSO: 3617/111

TRADE POLICY TOWARD USSR, WEST ANALYZED

Helsinki HELSINGIN SANOMAT in Finnish 23 May 87 p 2

[Op Ed Article: There is Much to be Learned From Our Recent Political Commercial History by Hannu Rautkallio]

[Text] The author, Hannu Rautkallio, has a doctorate in political science and is a visiting Fulbright professor at the University of Minnesota for the 1987-1998 school year.

In its trade Finland has always strongly favored the East. At the same time Finland has always leaned west in many respects without, however, ever gaining a permanent place among West European nations as the Scandinavian countries have. Our position has been primarily influenced by external factors such as superpowers and geopolitics but national factors have also helped isolate us into an East-West buffer zone.

Our politico-commercial standing with Russia has been accepted as a historical constant and Finland needs to do nothing in that direction to embellish its appeal as a trade partner. Russia's enormous markets have always benefitted us and we have never lost sight of them even during stormy periods.

To Russia (and the USSR) Finland has always been important because of its basically western orientation. Without this Finland never would have had--nor would have--special trade partner status in the eyes of the USSR.

Because of the current Soviet government's active pursuit of better trade relations with Western Europe it is worthwhile to study the development of our political-commercial ties. How will the current trend affect Finland's time tested political-commercial position.

An Independent Finland had to Change the Orientation of its Trade

At the same time that Western European experts are calling Finland "Europe's former Japan" they are expressing a positive curiosity toward the economic reforms in the USSR. The effects of the reform may be felt by the USSR's immediate neighbors to the west more intensively than before. That could alter the economic boundaries that were drawn across Europe by the victors of World War II.

The United States could be one compensatory export market for Finland if Western Europe's markets were to be closed but, in a historical sense, this would not be a dramatic change. During its years of independence Finland has twice used U.S. markets as a springboard when our commercial orientation toward the Russian ones was disrupted or underwent fundamental changes.

The historical roots of Finnish-U.S. trade can be found in the years immediately after World War I. Newly independent Finland had to quickly orient its trade toward the West since the Bolshevik revolution had closed Russian markets which had been available to Finland for centuries.

In 1918, Finland briefly had moved in the wake of imperial Germany and that had left economic and political uncertainty. It was our good fortune that we were saved by the downfall of Germany and that power's plans for the economic subjugation of Finland came to naught.

What did the big names in our economy do then? It took only a moment to direct the exports of our forest industry westward, to the United States and Great Britain, which have ever since been our principal markets. In that critical turnaround, the personal efforts of our industrial leaders seem to have been decisive.

In a special meeting of the Association of Paper Mills in November of 1918, Colonel Rudolf Walden emphasized forcefully that it was essential to make contacts with the Western powers. This veteran of the Russian markets recommended that a delegation of our top exporters be sent to these countries.

"The Flying Commission of Commerce" including Jacob von Julin, Walter Wahl, F. Pitkaniemi, Gosta Serlachius, Wilhelm Rosenlew and K.A. Paloheimo became familiar with market conditions in Western Europe in 1919, and in the United States shortly thereafter.

The Federation of Finland's Wood Processing Industry was a collection of the country's cellulose, pulp and paper mills as well as sawmills. Calling the second foreign ministry "Etelaranta 2" was not at all inappropriate.

Have we learned the lessons from these historic efforts so as to be able to benefit from them? The question is important, since the maintenance of commercial relations is necessary for historic continuity. The entire trade picture of a small, foreign-trade dependent country like Finland should show a balance between past and present.

From a historical perspective, it was evident in 1944 that there would be a return to original trade relations between Finland and the USSR. It was only logical that Josef Stalin allowed Finland to trade with the allied powers.

The USSR was not compelled at all to give Finland concessions in war reparations and favorable trade agreements. Hungary and Rumania, who had also fought alongside Germany, had to bear much greater burdens including the support of an army of occupation. Finland was spared such handicaps.

Finland's experience in connection with war reparations payments included a simultaneous opening of western markets and Finnish procurement of loans in American dollars.

USSR Economic Reform Will Alter the Pattern

Finland's economic importance to the USSR has basically been dependent on Finland's ability to maintain its trade with the West. The war reparation policy made good use of this existing condition and Finnish production quickly diversified in a way advantageous to the USSR.

At the end of World War II, American interests in Finland were marginal. But the "country that paid its debt" continued to hold some sort of preferred status in the eyes of Washington decision makers and the political significance of that was not slight.

Before World War II, 90 percent of Finland's exports to the United States were forestry products. That was not what the USSR wanted as war reparations payments. The two victorious powers, helped by Great Britain's traditional interest in Finnish forestry products, actually agreed on the form Finland's war reparations payments would take.

U.S. Markets Have Twice Been a Springboard

Even though the United States was not a member of Finland's monitoring commission, it still had a big influence on the direction Finland's politico-economic policies were to take.

The USSR received the industrial products it needed as war reparations payments and this freed Finnish forestry products for export to the West again. By the spring of 1947, Finland's cellulose industry was already operating at 90 percent capacity and this was because Finland was able to export to the United States.

Even though the so-called cold war was already being waged between the superpowers they coalesced their historical interests in Finland in the sphere of trade policies and of course, this was in everyone's interest.

For its part, Finland had received its own Marshall Aid two years before the European Reconstruction Program was instituted at the Paris Conference in the summer of 1947.

At the beginning of the 70's Finnpap, which was responsible for Finnish paper exports, cancelled exports to the United States before the expiration of the then current agreement. That was at a time when U.S. prices sank below the price Western European markets would pay. This meant that the New York Times ceased printing on Finnish paper. (The weekly supplement is still printed on special Finnish paper.)

The New York Times is an institution whose impact on policy making is known. This incident should not, of course, be exaggerated. Let it just be said that

decade old trade agreements were terminated in the blink of an eye. The respect that was lost by that decision was lost irrevocably.

One thought that quickly arises is that such historic policy decisions, having long range political-commercial effects on Finland's image, should be made somewhere besides at the upper echelons of industrial management. It is possible that the operational managements of export corporations have been given decision making responsibilities that they cannot handle.

Others have also expressed this recently. There has been research concerning the image presented by Finland after World War I and the role industrial leaders had in creating it. (Kauppapolitiikka 1-2/1987: Is Finland's Image Fixed?)

It is conceivable that market conditions for us in both Western Europe and the USSR will be completely changed in the future. The former may become more restrictive and the latter freer for competition. Finland must, therefore, make historic policy decisions.

Finland could possibly gain a better foothold in U.S. markets. However, difficulties may be encountered there as well, since the mood there is swinging toward restricting free trade.

Thus we should faithfully preserve the historic respect that we have. This does have commercial significance even though no coldly calculated monetary value can be placed on it.

13002/12859
CSO: 3617/105

SOVIET-OWNED OIL FIRM SELLING CRUDE OIL TO FRG

Helsinki HELSINGIN SANOMAT in Finnish 21 May 87 p 31

[Text] Suomen Petrooli Inc. has made its first deals on the resale of Soviet crude oil. A deal to purchase 1.5 tons of crude oil was recently signed with Sojuznefteexport. Suomen Petrooli just signed another deal to sell the same oil to a West German buyer.

It is possible that Suomen Petrooli will increase its sales of Soviet oil to third countries, said the company's commercial director Kyosti Tiainen. That depends on how well Neste Inc. succeeds in reselling the approximately three million tons of crude oil per its agreement.

"If Neste has problems we will try to increase our resales of oil," said Tiainen.

The price of oil in the resales is determined by the world market prices which are also used by Neste to set prices.

Suomen Petrooli and Teboil Inc. have been selling refined petroleum products, mainly heavy fuel oil and gas oil, from the USSR to third countries for years. The products have been transported directly from Soviet ports to the purchaser and the paperwork on the deals has gone through Finland.

According to Kyosti Tiainen the reason that Suomen Petrooli has become involved in the resale of Soviet crude was that they wanted to fill the quotas of their bilateral exchange agreement.

The agreement is for 4.5 million tons of refined oil products to be purchased. After Neste's production and Finland's consumption are taken into account Finland can absorb only about 3 million tons. To compensate for this import deficiency Suomen Petrooli agreed to handle the resale of 1.5 tons of crude oil to third countries.

Until now only Neste was involved in the resale of crude oil. Thus far, Neste has sold 1.1 million tons, or less than one-third of the amount specified in the agreement. Suomen Petrooli now surpassed Neste's total with just one deal.

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GOVERNMENT TO END TRADE WITH SOUTH AFRICA

Helsinki HELSINGIN SANOMAT in Finnish 23 May 87 p 7

[Text] Finland will enact a law curtailing trade with South Africa beginning on 1 July, thus adding its own impact to the pressure on South Africa to end its policy of racial oppression. The boycott act brought before parliament Friday seeks to forbid the export and import of goods to and from South Africa and Namibia.

Parliament must deal with the act under the same guidelines as for laws affecting the constitution. Quick passage of the law requires a five-sixths majority. The government intends to enact the law at the beginning of July.

Any trade agreements made prior to the enactment of the law and other obligations incurred as a result may be honored for up to three months after the enactment of the law.

According to the government, the economic impact of the law cutting off trade will be quite small since, for all practical purposes, trade was actually halted last year by the voluntary actions of the business community and the Transport Workers Union boycott.

The law will not, however, completely end all trade between Finland and South Africa. Goods not produced in South Africa or Namibia may be imported from there and goods may be sent from Finland to South Africa or Namibia via other countries provided that the final destination of goods is not known at the time of shipment from Finland.

The government may also grant special permits as exceptions to the trade boycott. For example, there is no intention to halt the shipments of publications or medicines and private individuals may also send goods if they are not engaged in trade.

The government may also grant immunity from the law for various spare parts shipments since the prevention of such shipments may negatively affect the way in which the reliability of Finnish products is assessed elsewhere. Such permits must be applied for through the Ministry of Commerce and Industry.

The government observes that, without a decision of the UN Security Council, denial of trade by means of legislation goes against Finland's principles. Neither can an undisputed justification for a trade boycott be found in the GATT agreement, but "this matter must be considered on the basis of its own merits."

"We have to consider South Africa's apartheid system to be such a unique phenomenon that unique ways must be found to combat it. This trade boycott does not signal a change in Finland's philosophical position on sanctions nor is it a precedent for comparable actions in a different situation."

Of the Nordic countries, Denmark legislatively cut off imports and exports last year. Norway stopped all trade by act of law last March. Sweden's law to a similar effect will be enforced beginning in July. There has been no discussion of a trade boycott in Iceland since the volume of trade is so small.

Table 1. Trade Between Finland and South Africa

Year	Imports (millions of markkas)	Percent of all Finnish imports	Exports (millions of markkas)	Percent of all Finnish exports
1980	62.8	0.1	190.9	0.4
1981	93.1	0.2	236.5	0.4
1982	122.3	0.2	337.7	0.5
1983	78.1	0.1	427.5	0.6
1984	124.1	0.2	547.3	0.7
1985	107.7	0.1	319.9	0.4
1986	3.6	0.0	12.6	0.0

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CSO: 3617/105

BANK DIRECTOR VIEWS ECONOMY PROBLEMS FACING NEW GOVERNMENT

Helsinki UUSI SUOMI in Finnish 1 May 87 p 9

[Text] In this article bank director Matti Korhonen examines the economic issues facing the day-old government. This article will also be used as a presentation to initiate discussion at the soon forthcoming meeting of the Uusi Suomi Finnish Club, of which discussion we will be publishing a report.

Matti Korhonen is presently a member of the board of directors of the National Bank and his sphere of responsibility includes economic research and societal relations. Formerly he has been, among other things, a director of the STK overseeing the sector concerned with the national economy.

Chief editor Erkki Laatikainen predicts that the new government will survive 1 to 7 years. It will either collapse sometime between the next presidential and local elections or it will survive through the next presidential term.

This can be used as a basis for assigning priorities to the economy-related tasks facing the government. It has a good starting point. Growth is continuing at a 3 percent clip, the markka is strong, and there are sufficiently large foreign currency reserves. Compared with competing countries inflation is under control, at least when adjusted in regard to relative productivity. Unemployment is decreasing and marketplace conditions are forcing down the nominal interest rate.

Preserving the Balance

The economy is, therefore, balanced but it is a precarious balance. All it takes to kindle inflation expectations is a bit too much demand, and the problem is not just the expectations. There also exist hopes of inflation due to the pressures created by structural problems and the real interest rate.

Imports and exports can easily get out of step. When the balance of trade slips to the deficit side, it affects the making of economic policies. That is why exports must always stay ahead. It is even easier to mismanage the economy of the public sector with one or two restructurings or with an income policy similar to the present one. Local governments always create problems for the public sector even when nothing is done.

A Tight Rein is Needed.

An economy that seems to be trotting along quite nicely on its own will very quickly need to be reined in tightly by the new government. Money policies can no longer control demand or the value of money. The slack must be picked up by a financing policy which will prevent too much demand and also convince the market as well as income policymakers of the unavoidability of small figures. Otherwise nominal increases will have to be snuffed out with tax increases. A stingy budget must be outlined already this spring so that the corporations take note when they begin to make their budgets.

The national budget cannot be based on the campaign promises of last winter. In the next few weeks it must be determined if the growth in consumption has to be limited before fall.

The Quenching of Inflation

Homespun inflation continues to exist despite the decrease in imports and other financing requiring developments. Something must be done about this entrenched domestic inflation. Sectors dealing with distribution and the local governments have been the slowest to adapt. Of course, a price freeze like that tried in Sweden is no way to slow down inflation. That only transfers and accumulates the pressures. The key word in policymaking is competition. The new government has a head start in its search for price and financing policies. The recent recommendations of Rekola's competition and price committee need only to be implemented. In fact, enacting these would be a good way to commence governing.

Shortages in Certain Parts of the Work Force Need To Be Avoided

Labor policy should stress the avoiding of shortages in certain occupations. A lack of particular types of workers broadens into an overall shortage. The number of persons under 40 in the work force will decrease by 150,000 by the end of the decade after having grown by 20,000 per year in the first half of the decade.

Demand exceeding supply in the work force would quickly increase inflationary pressures. The experiences of the early seventies are scary reminders. Already now the shortage of tradesmen is restricting progress in some fields showing substantial growth.

The cures are well known: the removal of rigidity, increased mobility and flexibility, and the better fitting together of available skills and vacancies.

The rate of unemployment as limited by inflation can be lowered from 5 to 3 percent. Four percent could already be considered full employment in mature and aging labor markets. Organizations involved in the labor market will play a key role.

The Platform

At first reading the government platform gives no assurance of growth and balance. The distribution of income and other soft subjects take precedence over means that would promote growth. Regarding tax reform it needs to be observed that, given the present demand-heavy conditions, a raise in the sales tax would be sounder economic policy than the lowering of the marginal tax. But tax reform is a way to purchase a long-lasting income policy.

Reforms connected with labor or jobs in general such as job security, representation in management, or the organization of cooperative measures may well receive the full attention of the government since there are no acute economic crises in sight. That would be a fitting pattern to set for a government bringing together worker and management elements.

Are We To Expect Seven Fat or Seven Lean Years?

These, however, are things that will require a lot of time and they must be implemented adjustingly and with mutual understanding and only when that latter element exists. Otherwise the measures will be impediments to progress, things to find ways to bypass, entrenchments of rigidity and obstruction.

Among all of the economic issues to emerge during the entire campaign two demand the bulk of the government's attention: trade policies and technology policies.

Finland's primary markets in Europe: the EC, EFTA, and the USSR are about to make radical breakthroughs. Western Europe will become one economic entity. The USSR is preparing great leaps forward which will not succeed without the broadening and freeing of foreign trade. A revolutionary reapportionment is occurring in our most important markets.

Using a broad definition, a technology policy is the most important element in an industrial policy. Once ways to solve problems of balance are found, the technology policy should grow in importance to become the very core of economic policy.

Only the priorization of these issues can make this new government unique. Taxation is merely the redistribution of income and labor-related reforms merely manipulations done for the sake of appearances. This coalition of management and workers definitely knows now to bind things together but does it know how and does it dare release the reserves of economic strength into motion.

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EXPLANATION OF REAL ECONOMIC SITUATION SEEN DUE TO PEOPLE

Athens TA NEA in Greek 4 Jun 87 p 4

[Article by Angelos Stangos: "Who Will Tell the Greeks the Truth?"]

[Text] Investments by Greek businessmen are not going to increase with better incentives or attractive conditions or in any other way. Greek investors never operated better than the rest of the Greek businessmen and never made any significant investments of their own.

During the time when wages were low, when money was also cheap and credit abundant, when loans were frozen and never paid, they made sure to get rich themselves but avoided managing their plants efficiently or modernizing their equipment. For this reason we cannot expect anything important from Greek businessmen who live in Greece, since on top of everything else, they do not have the necessary capital for large investments.

In any event, even if such possibilities did exist again nothing could be achieved unless the state machinery is improved to stop pushing private initiative into the inertia that exists today.

Going Down Steadily

The academic standing of the universities is going down more and more every day. No one has ever said that regardless of the socio-economic systems every one should attend university even idiots. No one has ever said that regardless of the socio-economic system the students do not need to study and should spend their years on campuses loafing around, learning nothing, skipping classes, taking no real examinations, cheating and in the end graduating not as scientists or professionals, but as prospective civil servants.

No Libraries

No one has ever said that the professors are free to do as they please, and that the rest of the teaching personnel have no obligations.

No one has ever said that universities may exist without libraries. Therefore, the monstrosity known as "law-frame" must be changed in many respects. The political parties must tell their youth organizations that student syndicalism does not exclusively mean "struggles against more intensive studying," slogans on the walls and posters and banners hanging like dirty linen.

Political parties must tell their youth organizations that student syndicalism does not exclusively mean "struggles against more intensive studying," slogans on the walls and posters and banners hanging like dirty linen.

Passing grades cannot fall below a certain minimum, and absences cannot be overlooked. In other words, universities must become institutions in the true meaning of the word, otherwise their graduates will not be able to find work, not even as street cleaners--since they will have no profession, no knowledge, not even of how to clean the streets.

Nothing But Guilds

Many of the so-called trade unions are nothing but guilds bent on getting privileges--not rights--for their members, having debased the most important weapon of the worker--the right to strike. Guilds do not ask for continuous training, believe they have no obligations, and do not "give a damn" about public opinion.

Greek society today consists of a conglomerate of guilds with an incredible and varied gamut of privileges, and of a number of self-employeds who equate business or professional activity with avoiding business risks, tax evasion, return of capital and 300 percent profit in 3 months, and with poor quality services.

Therefore, it is necessary to eliminate the privileges--not the rights of the working people--so there will be an end to the guild character of unions or branches whose members receive 16 monthly salaries a year, whose children are hired by the banks or public utilities without competitive exams, who do not pay for their electric bills, who have tax exemptions, and whose pension funds are subsidized from social resources.

Source of Income

Someone must tell the Greeks that in no other country is the life of the average citizen so frenzied and luxurious; that everywhere there is a check on the source of income; that everywhere people pay taxes; that freedom does not mean license and irresponsibility; that no society is so tolerant of wrongdoing as ours; that some degree of meritocracy serves as an incentive so social mechanisms can function properly; that compensation cannot depend merely on length of service, but should also depend on performance; that in order to stop being proud "loners" in the world, living at the margin of development, we must start teaching English, as an obligatory second language, from the first grade as is done in the Scandinavian countries.

The End is Here

But most important, someone must thunder out to the Greeks that the "hit and run" society is over. It worked as long and as well as it did, with

some degree of social peace because the country was able to feed--even with borrowed funds--the crooks, the freeloaders, the incompetent, and the "smart guys," but also those who were suppressed by them.

If things do not change soon, social unrest, crime and alienation will lead to conditions of barbarism. But the problem is who will tell the Greeks these truths.

Last weekend the 140 members of the PASOK Central Committee listened with open mouths as the chairman of their party revealed that the year 2000 is close(!) and to give them another "pat order" for a new shift in direction worthy of a car race. On the other hand, the ND chairman was promising in Brussels that like a modern Houdini he will solve the economic and military draft problems of his voters as soon as he comes to power.

The Communist Party was telling its followers to add a few more miles to the soles of their shoes, walking for peace, and the Central Committee of the Greek Left could not reach a decision after 2 days of exhaustive palaver, and had to assign the job to a four-member committee!!

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AIR POLLUTION ALARM RAISED IN IZMIR, DENIZLI, DIYARBAKIR

Istanbul CUMHURIYET in Turkish 30 Dec 86 p 7

[Excerpts] Newsroom--A series of measures has been taken in Izmir where increasingly large-scale atmospheric pollution has followed the pollution of the waters of the Gulf of Izmir. Burhan Ozfature, mayor of the metropolitan area, has pointed out that the high-rise apartment buildings lining the coastline like a wall act as a windbreak. He said: "The use of low-sulfur coal, the reduction of the number of automobiles in use by restricting their circulation to alternate days on the basis of the last digit on their registration plate being an odd or even number, and the conversion to central heating will have helpful results." According to the CUMHURIYET Aegean Bureau, the metropolitan municipality is relying on its powers under Law 3030 on the environment to concentrate on the control of perennial sources of pollution. Thus, while work on improving fuel and furnaces and fitting filters to chimneys is approaching completion at 29 industrial enterprises that contribute to environmental pollution, fines of 10 million lira have been imposed on the Turkish Electricity Board [TEK], Sumerbank, and Cimentas. It is reported that these enterprises, following the fines, have taken measures against air pollution that have had a success rate of 65 percent. Burhan Ozfatura, pointing out that air pollution has reached remarkable levels in close weather, said:

"Pollutants upset the ecological balance. To reduce the pollution load brought about by modern living is possible by pre-emptive measures. Taking this as a starting point, the Directorate of Environmental Health and Social Services of the metropolitan municipality has carried out intensive studies on measures concerning air pollution from perennial sources."

According to our Denizli correspondent, Omer Yurtseven, the provincial governor's office and the municipality have gone into action to reduce the air pollution that has become a health hazard in Denizli (population: 170,000). A board has been formed under the chairmanship of Governor Orhan Aykan and it has taken a series of measures, while the municipality has served notice to enterprises contributing to the pollution to fit filters to their chimneys within 1 month. The latest measurements have shown that sulfur dioxide levels have risen to 268.46 millimicron/m^3 against a world standard of 150 millimicron/m^3, and smoke levels have reached 1,150 millimicron/m^3 against 75 millimicron/m^3.

Nurettin Bilek, the mayor of Diyarbakir, said that the atmospheric pollution that has increased apace with the increasingly colder weather is due to the use of Sirnak and Silopi coal with asphaltite content. In a statement to the Anatolia Agency, Mayor Bilek said that a watch is being maintained on the results of the measurements taken daily by the Environmental Health Organization and that a ban will be placed on the use of coal-fired central heating systems.

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ROLE OF ECONOMIC OUTWARD ORIENTATION IN RISE OF RELIGIOUS ISSUES

Istanbul TERCUMAN in Turkish 4 Jan 87 pp 1, 12

[Editorial by Taha Akyol: "Free Zones and the Turban"]

[Text] In the old days, when the economic potential of a country outgrew its territory, it led to war. This is how World Wars I and II came about. The latter and the nuclear balance of terror taught mankind new lessons. Countries can now see that going beyond their borders through the channels of trade and technology is a more sensible practice than all-out war.

Underdeveloped countries, on the other hand, are resorting to foreign sources, such as foreign capital, imported technology, and "economic free zones" as a means of compensating for their lack of capital and technology. With the international circulation of capital tending to be confined within the circle of developed countries--Lenin's theses to the contrary, attracting capital and technology has become "a skill" for underdeveloped countries.

A united Europe, something that Napoleon and Hitler failed to achieve through weapons and bloodshed, is now in the process of implementation through European countries "opening up" to each other and through relations based on parity. Even Russia and China, which extend over 22 million and 9 million square kilometers, respectively, are trying to open up to the outside world within the constraints of their totalitarian systems. Turkey, too, took an important step yesterday in developing the process that it had essentially initiated with the 24 January [1980] measures: the first Turkish economic free zone was inaugurated in Mersin. We wish it success in achieving the hopes of economic benefit pinned on it.

Turkey, a country which has 2 million of its citizens working abroad, a country that imports technology and capital, whose exporters circulate in the world markets, a country that has borrowed U.S. $28 billion from the world and has an annual trade turnover of $20 billion with the world, is also developing its political and cultural relations with "the world outside." Almost daily, foreign delegations come and go, and panel discussions and synposiums are held. Many Turks study abroad, and the teaching of foreign languages is becoming widespread.

The story of Westernization in Turkey used to be not so much a true development and modernization as it was a "medievalization based on an admiration of the

West." The true modernization process is what we are going through in the present "structural" transformation. With its benefits come its problems, and, let it be noted, the problem of "culture shock" should be considered the leading one. Either a friendship or a quarrel between a Turkish citizen from Edirne and another from Hakkari would amount to an "extraordinary" event. But as relationships intensify between human beings, so do their disputes and dialogues. As it opens up to the world, Turkish culture is coming into increasing contact with foreign cultures. While both the contacts and contradictions between the subcultures within our own social anatomy keep growing, we now also have the presence of "the world outside" right beside us. It is highly probable that these growing relations will give rise to "culture shock."

-- Xenophobia, tribalization, and ethnocentrism may develop and, in unsound minds, come up to challenge us as an "ideology."

-- We may become disorientated vis-a-vis the outside world, suffer national depersonalization and be reduced to a state of--in Toynbee's words--"the proletariat of civilization." Or, in the same way that societies that once led wandering, nomadic lives succeeded in establishing a very advanced "agricultural society civilization" in history thanks to Islam, we too can achieve an industrial society synthesis in our own age: the Muslim Turk of an industrial society.

Intolerance, fanaticism, and ideological "tribalism" will prevent the synthesis of such a new civilization. Just as a period of free debate and general freedom was achieved in the development eras of the Islamic civilization, we now have a similar need for free debate and general freedom of life. The new synthesis will be brought about by freedom. In such an environment, the attempt to expel young Turkish women from the universities on the grounds that they cover their head is a worrying sign in a Turkey which is in dire need of opening up to the outside world and forming its own synthesis. The new synthesis needs to be not "rejectionist" but "assimilative."

The "rejectionist" attitude of the Social Democratic Populist Party toward turbanned young women who asked for "assistance for freedom" reveals how "ideocentric" the Social Democrats are in a Turkey that is opening up to the outside.

The truth is, the history of our Social Democrats reveals not "assimilation" but "repression."

In the current process of opening up to the outside, Turkey will be able to outgrow the culture shock it seems to be fated to undergo only through democracy and tolerance, and our new national synthesis will come into existence only through freedom of thought.

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ISLAMIC SCHOLAR SPEAKS OUT ON HEADCOVER ISSUE

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[Report on press conference by Bahriye Ucok, professor of Islamic history]

[Text] Ankara--Bahriye Ucok, the Social Democratic Populist Party [SDPP] deputy from Ordu, has claimed that the [proscribed] sects have a lot to do with the recently intensified debate over the wearing of turbans by women, saying "there is a movement afoot to encourage reaction, using the state as a means of doing so."

At a press conference at the SDPP headquarters, Bahriye Ucok spoke at length on the subject of turbans and headcovers, an issue that has sprung to prominence following the decision of the Higher Education Council (YOK) to ban them.

In her statement, Bahriye Ucok quoted long passes from the Koran, and said that the headcover is regarded as part of a household garment. She spoke as follows:

"In the An-Nur Chapter, the Koran describes the garments to be worn by women at home, saying 'Enjoin the women to let their headcover hang down from their head, and not to reveal their adornments--except such as are normally displayed--to anybody, including those they may be eligible to marry.' As for the Al-Ahzab Chapter, this asks that women don the veil--that is, the head-to-foot cover--in going out into public places. This is to distinguish the believers among women in view of the fact that there used to be a great deal of molestation of women in Arabia at one time. These rules were set to prevent acts of molestation. Nowadays, no such situation exists."

Ucok said that a secular state should set rules that apply to all, without catering to everybody's beliefs, and explained that until 1968 there had been no question of a headcover problem in Turkish government offices and schools.

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